



# BOARD OF DIRECTORS

---

*California Housing Finance Agency  
Board of Directors*

March 15, 2016

Department of Consumer Affairs  
1747 North Market Blvd.  
Hearing Room (HQ-2-#186)  
Sacramento, CA  
(916) 574-7307

10:00 a.m.

|  |    |
|--|----|
| 1. Roll Call.  |    |
| 2. Approval of the minutes of the January 13, 2016, Board of Directors meeting .....   | 1  |
| 3. Chairman/Executive Director comments.   |    |
| 4. Discussion, recommendation and possible action to increase the Area Median Income (AMI) for Single Family Program eligibility to 140% in counties identified as high cost. (Ken Giebel)<br><b>Resolution No. 16-02</b> .....  | 3  |
| 5. Mid-year update on business plan of the Agency. (Don Cavier) .....  | 7  |
| 6. Mid-year update on operating budget of the Agency. (Don Cavier) .....   | 20 |
| 7. Update and discussion regarding Multifamily lending programs. (Tony Sertich)  |    |
| 8. Discussion, recommendation and possible action regarding the adoption of a resolution authorizing the Agency's single family bond indentures, the issuance of single family bonds, short term credit facilities for homeownership purposes, and related financial agreements and contracts for services. (Tim Hsu)<br><b>Resolution No. 16-03</b> ..... | 35 |

|     |   |            |
|-----|---|------------|
| 9.  | Discussion, recommendation and possible action regarding the adoption of a resolution authorizing the Agency’s single family non-bond strategies. (Tim Hsu)<br><b>Resolution No. 16-04</b> .....  | <b>51</b>  |
| 10. | Discussion, recommendation and possible action regarding the adoption of a resolution authorizing the Agency’s multifamily bond indentures, the issuance of multifamily bonds, short term credit facilities for multifamily purposes, and related financial agreements and contracts for services. (Tim Hsu)<br><b>Resolution No. 16-05</b> ..... | <b>59</b>  |
| 11. | Discussion, recommendation and possible action regarding the adoption of a resolution authorizing the Agency’s multifamily non-bond strategies. (Tim Hsu)<br><b>Resolution No. 16-06</b> .....  | <b>75</b>  |
| 12. | Discussion, recommendation and possible action regarding the adoption of a resolution authorizing applications to the California Debt Limit Allocation Committee for private activity bond allocations for the Agency's homeownership and multifamily programs. (Tim Hsu)<br><b>Resolution No. 16-07</b> .....                                    | <b>85</b>  |
| 13. | Reports:  |            |
|     | A. Finance Reports:   |            |
|     | 1. Report of Recent Rating Upgrades .....   | <b>91</b>  |
|     | 2. Report of Issuance of Multifamily Housing Revenue Bonds 2016<br>Issue A (Maplewood Apartments).....  | <b>93</b>  |
|     | 3. Report of Issuance of Multifamily Housing Revenue Bonds 2016<br>Issue B (Woodglen Apartments).....   | <b>95</b>  |
|     | 4. Report of Multifamily conduit issuance in FY 2014-2015 .....   | <b>97</b>  |
|     | 5. Update on Variable Rate Bonds and Interest Rate Swaps .....  | <b>99</b>  |
|     | 6. Update on Homeownership Loan Portfolio .....   | <b>109</b> |
|     | B. Multifamily Programs – Subsidy Fund Reports.....   | <b>119</b> |
|     | C. Legislative Update.....  | <b>121</b> |
| 14. | Discussion of other Board matters.  |            |
| 15. | Public testimony: Discussion only of other matters to be brought to the Board’s attention.  |            |

16. Adjournment

17. Handouts

## **NOTES\*\***

**PARKING: Public parking at Department of Consumer Affairs is free.**

**FUTURE MEETING DATE: Next CalHFA Board of Directors Meeting will be April 11, 2016, at California Housing Finance Agency, 500 Capitol Mall, 14<sup>th</sup> Floor Main Conference Room, Sacramento, California and via teleconference for those Board members who cannot attend in person.**

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

**CalHFA Board Meeting**  
**Minutes of Meeting Held January 13, 2016**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45

The regular meeting of the California Housing Finance Agency Board of Directors was held on the above date at the Department of Consumer Affairs, the Chairman and the Secretary being present. The meeting opened at 10:07 a.m.

Agenda item 1: Roll call was taken and the following Board Members were present: Leslie Lopez for Acting Secretary Podesta, Janet Falk, Tim Schaefer for Treasurer Chiang, Michael Gunning, Dalila Sotelo, Jonathan Hunter, Susan Riggs, Eileen Gallagher, Preston Prince and Tia Boatman Patterson. Board members Theresa Gunn for Dr. Imbasciani, AnaMarie Avila Farias and Susan Riggs joined the meeting after the initial roll call and after the initial vote on Agenda item 3.

Agenda item 2: A motion was made by Tim Schaefer to approve the minutes of the November 10, 2015 Board of Directors meeting and was approved with a roll call vote. Ayes: Tim Schaefer for Treasurer Chiang, AnaMarie Avila Farias, Eileen Gallagher, Michael Gunning, Dalila Sotelo and Janet Falk. Nays: None. Abstentions: Jonathan Hunter and Leslie Lopez for Acting Secretary Podesta.

Agenda item 3: A motion was made by Dalila Sotelo to approve the minutes of the November 25, 2015 Board of Directors meeting and was approved with a roll call vote. After initial failure of votes to approve, the motion was renewed after additional Board members arrived. Ayes: Tim Schaefer for Treasurer Chiang, Theresa Gunn for Dr. Imbasciani, Michael Gunning, Jonathan Hunter, Susan Riggs, Dalila Sotelo and Janet Falk. Nays: None. Abstentions: AnaMarie Avila Farias, Eileen Gallagher, Leslie Lopez for Acting Secretary Podesta and Preston Prince.

Agenda Item 4: Executive Director reported upcoming topics for board meetings, amongst other matters will be 1) a March meeting at which a mid-year report on Agency revenue and expenditures will be presented; 2) an April meeting at which staff will present CalHFA's proposed business plan; and 3) a May meeting at which staff will present CalHFA's FY 2016/2017 business plan and operating budget for the Board's consideration and adoption.

Agenda item 5: After discussion by the Board, a motion to approve Resolution 16-01 was made by Jonathan Hunter. Resolution 16-01 was approved with a roll call vote. Ayes: AnaMarie Avila Farias, Leslie Lopez for Acting Secretary Podesta, Janet Falk, Tim Schaefer for Treasurer Chiang, Theresa Gunn for Dr. Imbasciani, Michael Gunning, Eileen Gallagher, Dalila Sotelo, Jonathan Hunter, Susan Riggs and Preston Prince. Nays: none.

Agenda item 6: Di Richardson identified NCSHA's annual Board of Directors federal legislation priorities, which will be discussed at its conference the end of February 2016, as: strengthen and expand production potential for tax exempt private activity housing bond program

46 ///  
47 and the low income housing tax credit and working with FHFA and government sponsored  
48 enterprises to HFA and GSE partnerships, adequate section 8 funding, and several others.  
49  
50 The meeting adjourned at 11:15 a.m.

State of California

**DRAFT  
MEMORANDUM**

**To:** Board of Directors

**Date:** March 4, 2016

**From:** KEN GIEBEL, Director of Single Family Lending  
**California Housing Finance Agency**

**Subject:** CALHFA CONVENTIONAL 140% AMI HIGH COST COUNTY RECOMMENDATION

Recommendation:

Increase CalHFA's income limits on its Conventional mortgage products to 140% AMI in counties identified as high cost in order to better serve individuals and families seeking homeownership in those communities.

Background:

The California Housing Finance Agency's legislation authorizes CalHFA to finance loans to persons and families of low and moderate income. California Health and Safety Code § 50093 defines moderate income as income not exceeding 120% of AMI, adjusted for family size. CalHFA, however, has determined that the 120% AMI is too low to qualify a substantial number of persons and families of moderate income in certain counties. Historically, the Board has supported increased income limits as necessitated by market conditions.

Health and Safety Code § 50093 authorizes CalHFA, jointly with HCD, or with the concurrence of the Secretary of the Business, Consumer Services and Housing Agency, to use higher income limits in designated geographic areas of the state, upon a determination that the 120% of the median income in the particular geographic areas is too low to qualify a substantial number of person and families of low or moderate income who can otherwise afford a home purchase financed by CalHFA

High Cost County Description:

Home prices in many communities throughout California are higher than what the median income household can afford. CalHFA has identified 35 California counties that have the greatest disparity between housing costs and household incomes. CalHFA computed the housing cost/income ratios for each county using HCD's posted four-person household income. Although all counties except one in California are considered High Housing Cost areas, CalHFA recommends increasing the income limits to 140% AMI for the highest 35 counties. The remaining counties will continue to use income limits based at 120% of county AMI for CalHFA's Conventional Loan Program.

For example, by increasing the income limits to 140% AMI, an additional 467,800 households in Los Angeles may qualify for a CalHFA Conventional loan, of which 53% are renters. Those Los Angeles residents may qualify for homes priced \$73,000 higher than at the 120% AMI level.

We estimate an additional 1.2 million households in these 35 counties may be eligible, with approximately 45-50% being renters.

| 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* |
| * The High Housing Cost Ratio is the result of divided the Housing Ratio by the Income Ratio.<br>(2.5982/1.2614 = 2.0597) |                           |                        |                                 |

#### Recommendation Assessment:

The addition of the 35 counties we are identifying as high cost will enable 1.2 million more moderate income households to be eligible for a CalHFA First-Time Homebuyers mortgage. A CalHFA mortgage provides families now renting the opportunity to lower and stabilize their housing budget, reduce their tax burdens if they use a Mortgage Credit Certificate, build wealth, and provide a stable environment for their families.

First-time homebuyers represent the primary impetus that drives the state's homeownership rate and generates the network that fuels the trade-up market which cannot be replenished over the long run without them. Additionally, homeownership is a proven means of improving neighborhood development and education outcomes. Providing more households the ability to purchase their first home is a financial win for the homebuyers, California's economy and the local property tax base.

Single Family Lending recommends that we move to 140% AMI for CalHFA's Conventional Loans in the following counties:

|              |           |                 |               |
|--------------|-----------|-----------------|---------------|
| 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       |               |

cc: Don Cavier, Tim Hsu, Victor James, Tom Freeburger

## RESOLUTION NO. 16-02

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

WHEREAS, the California Housing Finance Agency (the “Agency”) has determined that there exists a need in California for providing financial assistance to persons and families of low or moderate income to enable them to purchase moderately priced single family residences (the “Residences”);

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

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

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

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

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

**Section 1. Authorization to Increase Income Limits.** As soon as is practicable, in designated geographic areas, the Agency shall increase income limits from one hundred twenty percent (120%) area median income to a maximum of one hundred forty percent (140%) area median income.

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

**Section 3. Authorization of Related Actions and Agreements.** The officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all agreements and documents which they may deem necessary or advisable in order to effectuate the purposes of this resolution, including but not limited to satisfying in the best interests of the Agency.

SECRETARY'S CERTIFICATE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

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

State of California

## MEMORANDUM

**To:** Board of Directors

**Date:** March 15, 2016

**From:** Donald Cavier, Chief Deputy Director  
CALIFORNIA HOUSING FINANCE AGENCY

**Subject:** ITEM 5 – MID-YEAR 2015-16 BUSINESS PLAN UPDATE

### Background

In May 2015, with the challenges of the economic recession largely behind us, the Board adopted the 2015-16 business plan; a plan designed to reinvigorate lending activities and increase future income opportunities. Previous business plans had focused on stabilizing the Agency's balance sheet, improving the Agency's credit ratings, implementing a strategy to replace the US Treasury's Temporary Credit Liquidity Program (TCLP) and preparing our single family and multifamily loan programs to resume lending activity. With many of these critical issues behind us, the Agency's 2015-16 business plan is focused on the future of CalHFA, and our mid-year results and revised projections for the fiscal year show that we are on the right track.

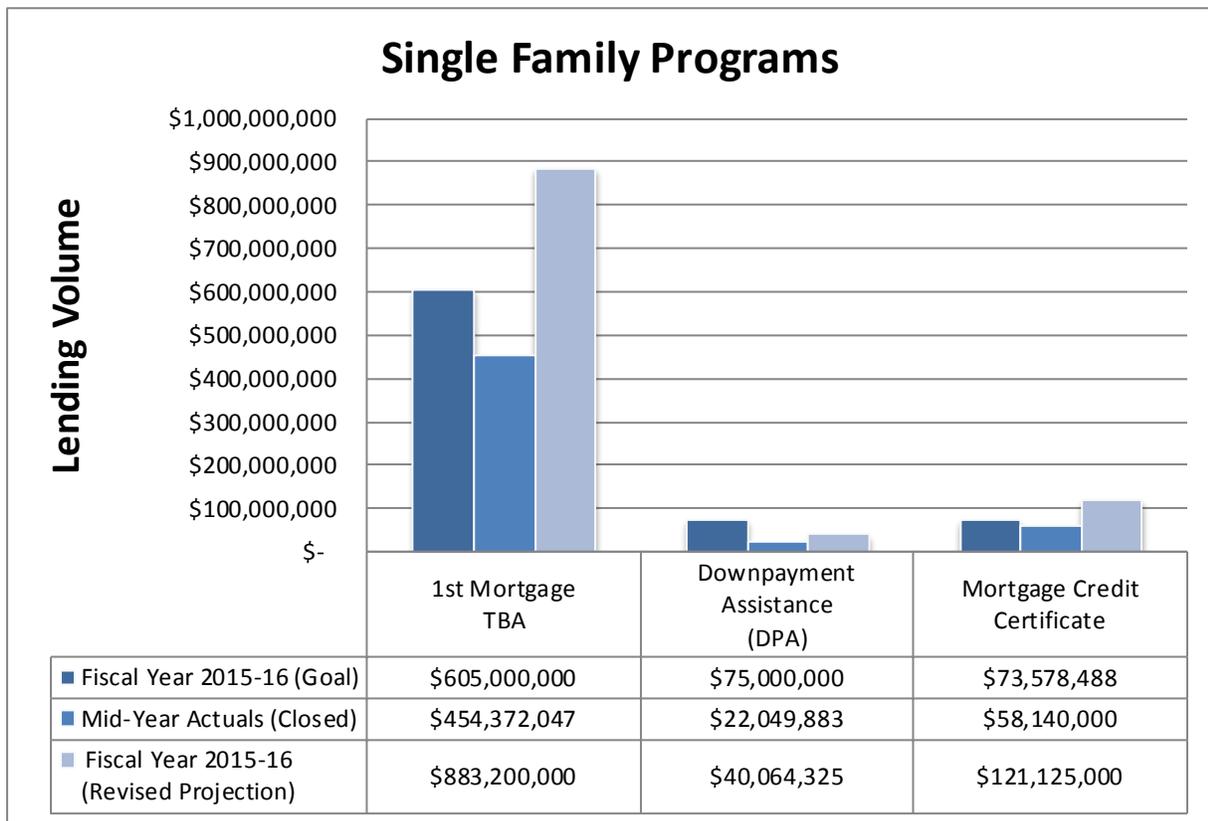
### Business Plan

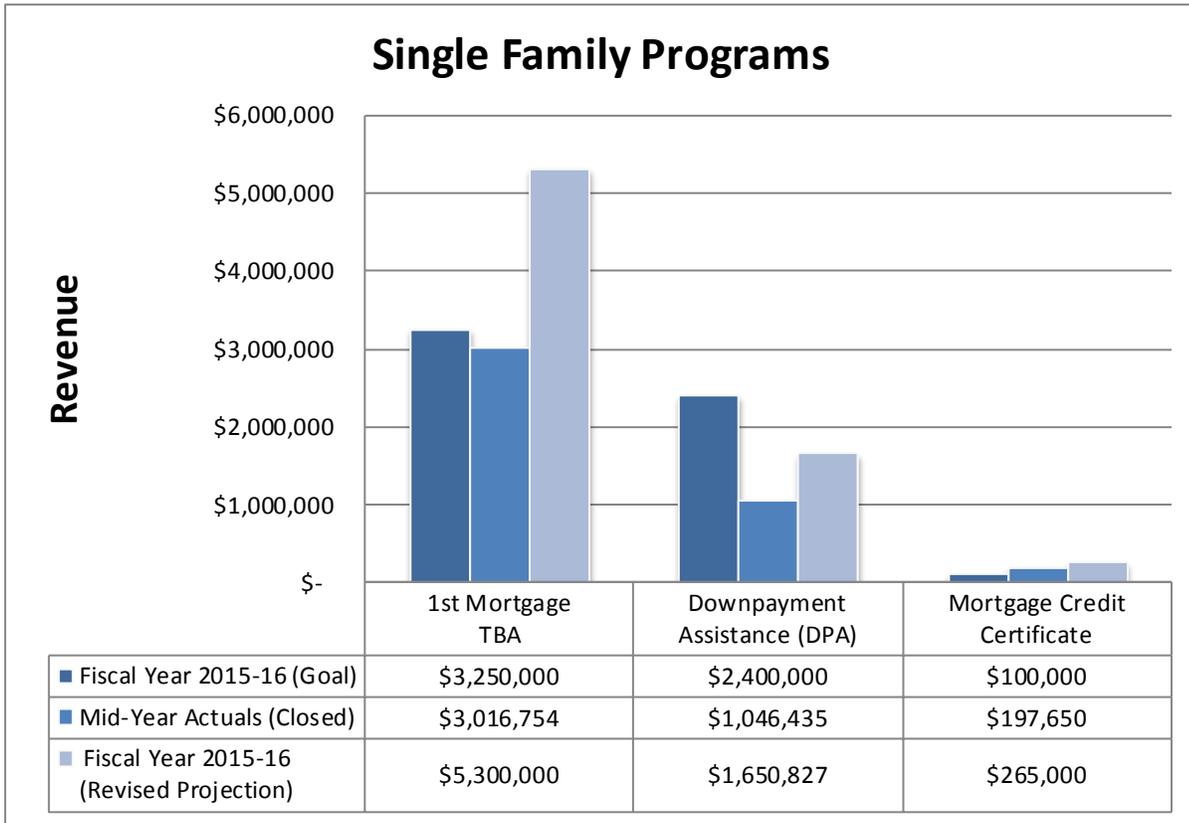
The Fiscal Year 2015-16 Strategic Business Plan consists of three primary goals: 1) Reinvigorating lending activities. Grow the Agency's balance sheet and increase future income; 2) Align lending activities with State housing policy and increase operational efficiency; and 3) Help prevent avoidable foreclosures by providing assistance to eligible homeowners who have financial hardship and/or significant negative equity. Each business plan goal has key strategies identified for achieving these goals. The following is a status update regarding the progress made through December 31, 2015:

**Goal #1 - Reinvalidate lending activities. Grow the Agency’s balance sheet and increase future income**

*Generate income via single family lending opportunities:*

For fiscal year 2015-16, single family lending targeted \$605 million in 1<sup>st</sup> mortgage loan purchases and \$75 million in down payment assistance (DPA) loans. At mid-year, 1<sup>st</sup> mortgage loan purchases were \$495 million or 82% of business plan objectives. DPA transactions trail our original goals, with DPA loan production at \$22 million as of 12/31/2015. The lower than expected DPA production is directly tied to our policy change that now links CalHFA DPA assistance to CalHFA first mortgage loan products. This policy change has increased CalHFA first mortgage loan production and will likely improve overall market share over time. Additionally, it allows us to better control and assess the public benefit of CalHFA DPA funds. The revenue targets for the Single Family Lending programs were \$5.75 million for fiscal year 2015-16 and we expect to meet/or exceed that goal for the fiscal year.



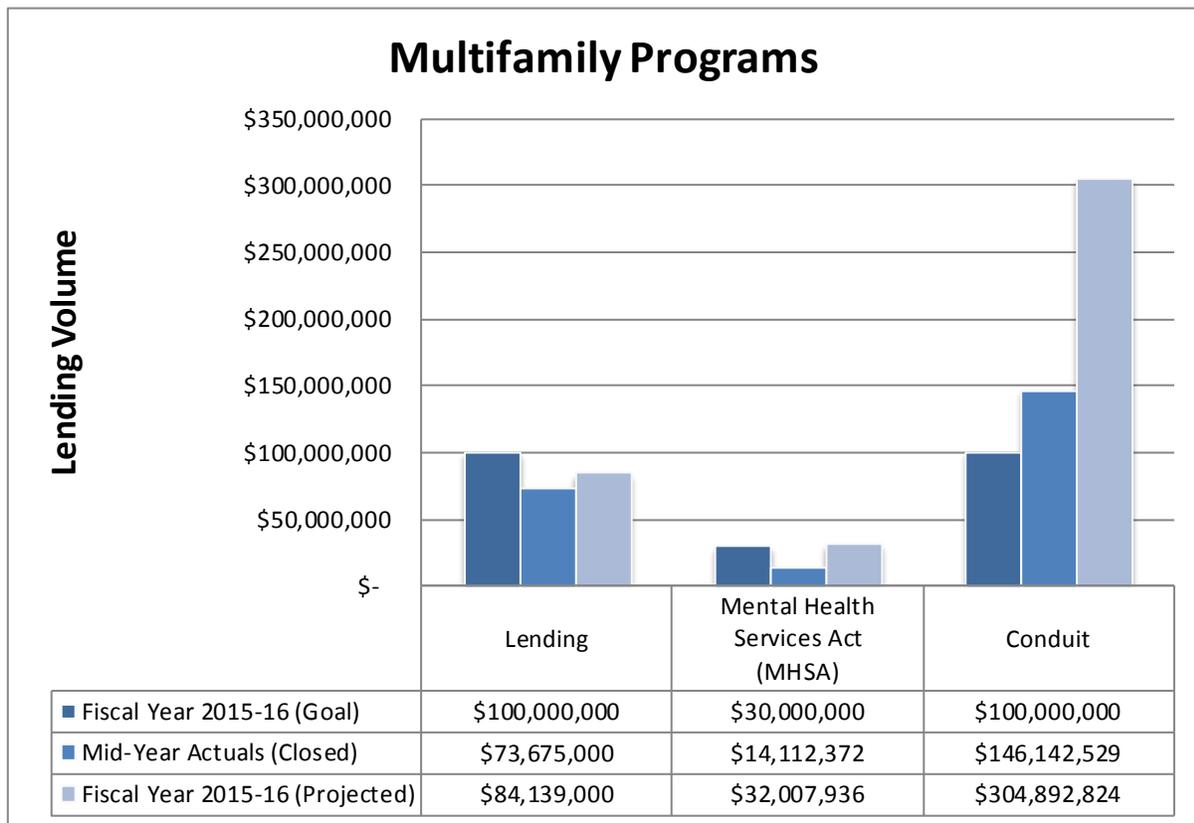


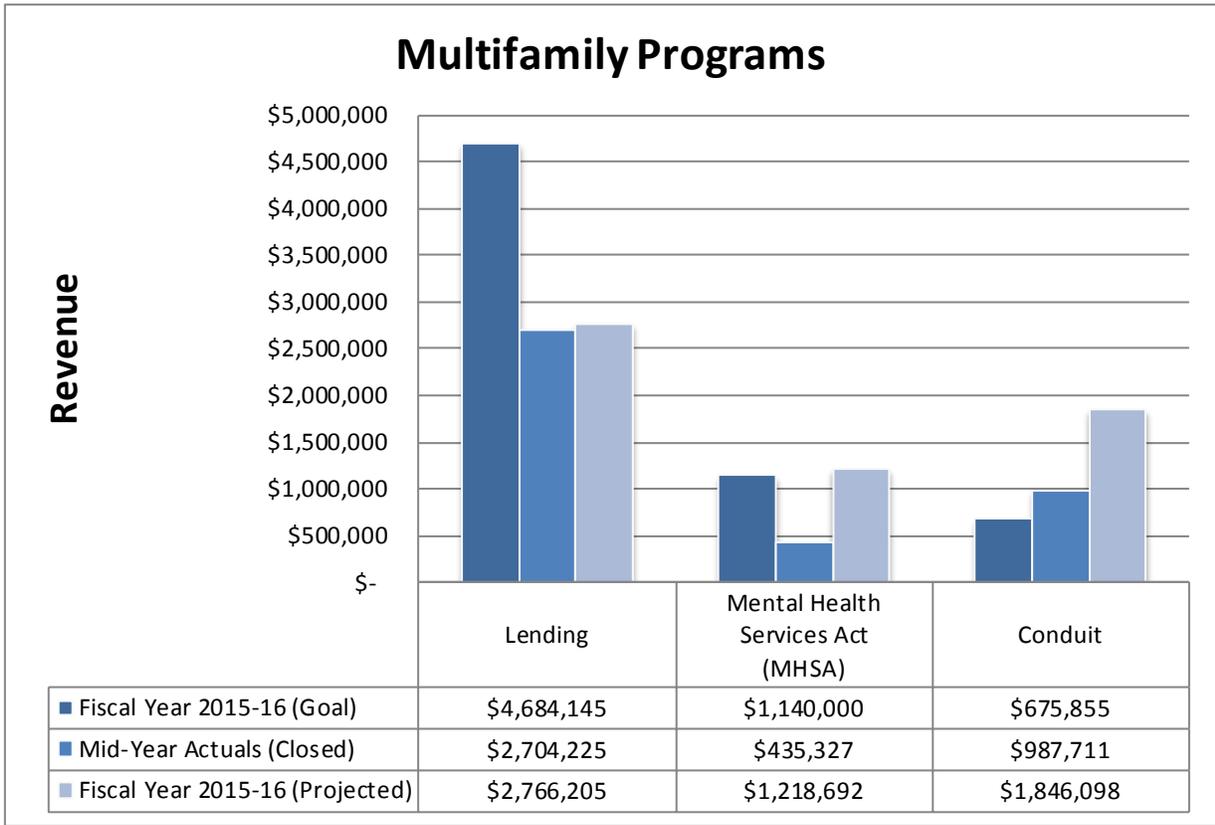
Additional updates at mid-year include:

- Successfully added the Zero Interest Program (ZIP) Extra DPA loan product to the FHA 1<sup>st</sup> mortgage loan product which provides FHA borrowers with an additional 3.5% DPA loan to be combined with our standard DPA loan program
- Completed the draft of the single family lenders manual to serve as a resource to lenders working with CalHFA
- Added mortgage broker business
- Actively working with current master servicer to address delays in the review and purchase of our 1<sup>st</sup> mortgage loans
- Evaluating alternative master servicing opportunities with the intent to improve the efficiency and profitability of our MBS delivery model
- Initiated discussions with Fannie Mae and Freddie Mac regarding activation of our Seller/Servicer number to provide additional financing options for delivery of CalHFA purchased loans

**Generate income via multifamily lending opportunities:**

Multifamily lending has targeted \$100 million in 1<sup>st</sup> mortgage loan origination, \$100 million in Conduit Issuance and \$30 million in MHSA lending with a combined revenue target of \$6.5 million for fiscal year 2015-16. At mid-year, the multifamily lending program closed five 1<sup>st</sup> mortgage loans for \$74 million and ten MHSA loans for \$14 million. Combined, the two programs expect to close \$116 million by the end of the fiscal year. Similarly, the multifamily conduit issuance program is doing better than expected closing nine transactions for \$146 million, exceeding the annual business plan goal at the mid-year point. The Agency expects to close over \$300 million in conduit issuances by the end of the fiscal year. From a revenue standpoint, the multifamily lending programs have combined for \$4.1 million or 63% of the fiscal year revenue target as of December 31, 2015 and are expected to be within striking distance of the business plan goal of \$6.5 million by the end of the fiscal year.





Additional updates at mid-year include:

- Adopted policies regarding the use of surplus funds for gap financing with CalHFA multifamily lending programs
- Modified and formalized processes for the underwriting and loan approval process
- Drafted a preservation strategy for CalHFA portfolio projects
- Completed a comprehensive training program designed to refresh staffs underwriting skills and provide current perspectives regarding current market conditions in the multifamily space.

***Strengthen capital reserves and improve liquidity position:***

A key element in the effort to strengthen the financial position of CalHFA was the replacement of the Temporary Credit Liquidity Program (TCLP) credit facility provided to CalHFA by the US Treasury during the financial crisis. The TCLP credit support was set to expire on December 23, 2015 and CalHFA had committed to fully retiring the obligation prior to that date. CalHFA was able to completely retire TCLP on July 22, 2015 by refinancing variable rate bonds with fixed rate bonds and strategically using its cash to reduce variable rate bonds. This effort, along with various debt restructurings designed to strengthen our balance sheet, have resulted in several credit rating upgrades.

In July 2015, Standard & Poor's (S&P) upgraded the Home Mortgage Revenue Bond (HMRB) indenture from 'A-' to 'A' with a stable outlook. At the same time, Moody's affirmed its 'A3' rating for the same bonds. Several months later, S&P announced an upgrade of CalHFA's overall Issuer Credit rating from A- to A with positive outlook, citing two consecutive years of net operating profitability, upward ratio trends, improved asset quality and equity levels. In February of 2016, Moody's upgraded the HMRB indenture and the CalHFA overall Issuer Credit ratings from A3 to A2 with stable outlook.

**Goal #2 -      **Align lending activities with State housing policy and increase operational efficiency*******Complete organizational assessment and implement recommendations that increase operational efficiencies:***

The Agency completed the organizational assessment in July 2015 and has implemented many of the recommendations outlined in the report. Some highlights from the first half of the year include: 1) Consolidating the West Sacramento office for loan servicing into the Agency's headquarters building at 500 Capitol Mall; 2) Consolidating the Multifamily Lending division and the Asset Management division under a single management structure and appointing a new Director of Multifamily Programs; 3) filling key vacancies in multifamily and asset management to position the department to effectively reenter the multifamily lending space; 4) Implementation of a comprehensive training program for multifamily staff; 5) proactively marketing our conduit issuance loan program; 6) Merging the Portfolio Management division with Single Family Lending; 7) Implementing a policy change which requires that CalHFA down payment assistance be matched with a CalHFA 1<sup>st</sup> mortgage; 8) Automating the process by which single family lenders submit loan documents for approval and purchase.

***Develop long-term strategies to monitor and mitigate enterprise risk:***

The strategies for monitoring and mitigating business risks are ongoing. The Agency is actively participating in the State Leadership Accountability Act risk assessment and reporting process. Under the requirements of this Act, CalHFA must continuously assess the internal and external risks

impacting operations, reporting and compliance. As risks are identified, the mitigating control must be identified or a corrective action plan must be developed and implemented. Further, the Agency is moving forward with recruitment for the vacant Finance Risk Manager position and is developing a Quality Control department for single family lending to meet the requirements for receipt of our seller/servicer numbers from Fannie Mae and Freddie Mac.

***Agency-wide IT integration of data collection, flow and reporting:***

The Agency has established an IT governance committee to ensure that IT planning and activities are supporting business plan objectives. After several meetings the committee has determined that the role of the committee will be to expand the scope of the committee to shepherd the key initiatives of the business plan and provide regular progress reports to the Board. The CalHFA records management and retention policy has been completed, and the implementation scope of the Enterprise Content Management system has been adjusted to better meet the ongoing business needs of CalHFA.

***Enhance program delivery of affordable housing through continued collaboration with HCD and other partners:***

MHSA/SNHP - With CalHFA's interagency agreement with DHCS expiring on May 30, 2016, the Mental Health Services Act (MHSA) Housing Program be discontinued. Staff has surveyed stakeholders across the State regarding their interest in participating in a similar program to be administered by CalHFA, the Special Needs Housing Program (SNHP). The response was favorable with several counties pledging over \$30 million of new money or unallocated MHSA funds. Staff is finalizing documents for the close-out of MHSA and the introduction of SNHP.

HUD Section 811 PRA – CalHFA is administering the HUD Section 811 Project Rental Assistance (HUD 811) program in partnership with DHCS, HCD, DDS, and TCAC. The program provides rental subsidies to provide permanent supportive housing for individuals with disabilities. The goal of the program is to remove these individuals from long-term care facilities and allow them to live more independently. HUD has awarded two rounds of funds across the country. California received \$11.9 million in Round 1 for a state-wide program and \$12 million in Round 2 for Los Angeles County. CalHFA is currently administering \$3.3 million on six projects and 96 units of the Round 1 award. The state partnership released a NOFA in early February 2016 for the Round 2 award. The funds will begin being disbursed in FY 2016/17.

Asset Management Technology – The Asset Management division will review the available technology to streamline its workflow. Potential efficiencies include tablets for inspectors and software for the Section 8 administration process.

Small Loan Program – CalHFA will establish and market a small loan program for loans under \$3.5 million. This program will serve an underserved market by providing loans with competitive rates and terms across the state to smaller multifamily developments.

Workforce Housing Loan Program – CalHFA is working to establish a loan program for affordable rental housing serving tenants earning above 60% Area Median Income (AMI). Federal Low Income Housing Tax Credits serve as the major subsidy for affordable rental housing, but only provide benefits if units are restricted at 60% AMI or below. In many high-cost areas across California, market rents are in excess of 100% AMI. The Workforce Housing Loan Program will serve the “missing middle,” those earning between 60% AMI and market rents through favorable loan terms and shallow subsidies provided by CalHFA.

**Goal #3 - Help prevent avoidable foreclosures by providing assistance to eligible homeowners who have financial hardship and/or significant negative equity**

*Maximize use of KYHC program funds:*

**Homeowners Assisted by Program**

Although final reporting for the quarter ending December 31, 2015 has not been completed, preliminary reports indicate that more than 56,000 homeowners have received assistance from the KYHC program since inception. Of those, 8,143 homeowners have received secondary assistance from KYHC (i.e., never exceeding the individual or overall program cap) including 5,363 homeowners that received UMA program assistance more than once, eleven (11) homeowners received additional MRAP program assistance, thirty seven (37) homeowners received additional PRP program assistance and 2,732 homeowners received assistance from a unique, second KYHC program.

**In Process Homeowners**

As of December 31, 2015, a total of 5,672 eligible homeowners were in the active pipeline, pending final benefit determination, for one of the five KYHC programs. A by-program breakdown of eligible homeowners “In Process” is provided in the following chart.

| <b>In Process Homeowners – Q4 2015</b>             |              |             |
|--|--------------|-------------|
| <b>Program</b>                                     | <b>#</b>     | <b>%</b>    |
| Unemployment Mortgage Assistance (UMA)             | 2,072        | 37%         |
| Mortgage Reinstatement Assistance Program (MRAP)   | 1,010        | 18%         |
| Principal Reduction Program (PRP)                  | 2,336        | 41%         |
| Transition Assistance Program (TAP)                | 34           | 1%          |
| Reverse Mortgage Assistance Pilot Program (RevMAP) | 220          | 4%          |
| <b>Total</b>                                       | <b>5,672</b> | <b>100%</b> |

Attachments

Item 5 - FY 2015-16 Mid-Year Business Plan Update:

1. Approved 2015-16 CalHFA Strategic Business Plan

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

**CalHFA Strategic Business Plan FY2015-16**

Mission: To create and finance progressive housing solutions so more Californians have a place to call home.

Goals of Organization:

**CalHFA:** 1) Reinvalidate lending activities. Grow the Agency's balance sheet and increase future income.

1-3

2) Align lending activities with State housing policy and increase operational efficiency.

4-7

**KYHC:** 3) Help prevent avoidable foreclosures by providing assistance to eligible homeowners who have financial hardship and/or significant negative equity

8

Strategy

| Key Strategy  | Action Items   | Due Dates | Item Owner |
|---|--|-----------|------------|
| <b>1</b> Generate income via single-family lending opportunities    | <b>A</b> <ul style="list-style-type: none"> <li>Revenue generated from new single-family lending of \$5.75Mn during FY 2015-16</li> <li>Long-term asset generation of \$10.6Mn during FY 2015-16</li> </ul>  | 06/30/16  | HO         |
|   | <b>B</b> <ul style="list-style-type: none"> <li>Target 1st mortgage loan production of \$605Mn during FY 2015-16</li> <li>Target DPA loan production of \$75Mn FY 2015-16</li> </ul>   | 06/30/16  | HO         |
|   | <b>C</b> Add ZIP Extra loan to FHA first loans   | 09/30/15  | HO         |
|   | <b>D</b> Add mortgage broker business through First Mortgage master servicing  | 07/31/15  | HO         |
|   | <b>E</b> Complete lender manual as a resource to lenders working with CalHFA   | 09/30/15  | HO         |
|   | <b>F</b> Explore participation in Freddie Mac HFA program  | 06/30/16  | HO         |
|   | <b>G</b> Issue 1,300 Mortgage Credit Certificates to first-time homebuyers   | 06/30/16  | HO         |
| <b>2</b> Generate income via multifamily lending opportunities      | <b>A</b> <ul style="list-style-type: none"> <li>Revenue generated from multifamily programs of \$1.2Mn during FY 2015-16</li> <li>Long-term asset generation of \$5.3Mn during FY 2015-16</li> </ul>   | 06/30/16  | MF         |
|   | <b>B</b> Target multifamily lending of \$100Mn during FY 2015-16   | 06/30/16  | MF         |
|   | <b>C</b> Increase multifamily lending through training and procedure development   | Ongoing   | MF         |
|   | <b>D</b> <ul style="list-style-type: none"> <li>i) Adopt policies for use of CalHFA's subsidy funds (Earned Surplus, FAF Savings, RHCP)</li> <li>ii) Grow capacity to underwrite multifamily loans</li> <li>iii) Create preservation strategy for CalHFA portfolio projects</li> </ul> | 07/31/15  | MF         |
|   | Grow the MF conduit issuer program   | 09/30/15  | MF         |
|   | Target \$100Mn of issuance during FY 2015-16   | 07/31/15  | MF         |
| <b>3</b> Strengthen capital reserves and improve liquidity position | <b>A</b> Eliminate TCLP obligations  | 06/30/16  | Fin        |
|   | <b>B</b> Develop internal capacity to hedge MBS using the TBA market   | 07/31/15  | Fin        |
|   | <b>C</b> Develop tools to better manage CalHFA's allocation of capital and risk  | 12/31/15  | Fin        |
|   |  | 06/30/16  | RM         |

**CalHFA Strategic Business Plan FY2015-16**

Mission: To create and finance progressive housing solutions so more Californians have a place to call home.

Goals of Organization:

**CalHFA:** 1) Reinitalize lending activities. Grow the Agency's balance sheet and increase future income. 1-3

2) Align lending activities with State housing policy and increase operational efficiency. 4-7

**KYHC:** 3) Help prevent avoidable foreclosures by providing assistance to eligible homeowners who have financial hardship and/or significant negative equity 8

Strategy

| Key Strategy  | Action Items   | Due Dates | Item Owner |
|---|--|-----------|------------|
| 4 Complete organizational assessment and implement recommendations that increase operational efficiencies     | A Consolidate all Sacramento staff at 500 Capitol Mall   | 09/30/15  | BS         |
|   | B Eliminate vacant positions determine to be unneeded  | 07/01/15  | Budget     |
|   | C Finalize CalHFA organizational structure with functional roles clearly communicated  | Ongoing   | ED         |
|   | D Continue to refine budget and business plan development  | 04/30/16  | CDD        |
| 5 Develop long-term strategies to monitor and mitigate enterprise risks                                       | A Formalize strategies for managing Agency risks and continuously integrate the enterprise risk management effort into CalHFA's business processes | ongoing   | RM         |
|   | B Review: i) Quality Assurance; ii) Risk Management; iii) Internal Controls/Compliance and develop a robust plan to address each topic             | 06/30/16  | RM         |
| 6 Agency-wide IT integration of data collection, flow and reporting   | A Develop IT governance structure and strategic plan that aligns IT priorities with business plan goals  | 09/30/15  | CDD        |
|   | B Develop records management policy and update records retention schedule  | 07/31/15  | GC         |
|   | C Identify and train IT liaisons in all business units   | 12/31/15  | CDD        |
|   | D Expand and improve electronic loan file submission process from lenders  | 12/31/15  | PM         |
|   | E Reassess uses and needs for the electronic content management system   | 09/30/15  | IT         |
| 7 Enhance program delivery of affordable housing through continued collaboration with HCD and other partners. | A In collaboration with DHCS and HCD, determine next phase of the MHSA Program   | 09/30/15  | MF         |
|   | B Assess program goals and performance measures and determine the best practices and viability of the HOME TBRA and HUD 811 programs going forward | 06/30/16  | AM         |
|   | C Explore the creation of an integrated gap financing effort amongst state affordable housing entities   | 12/31/15  | MF         |
|   | D Continue collaboration with HCD and CalVets to expand multifamily housing opportunities for veterans   | Ongoing   | MF         |
|   | E Provide technical assistance to legislature and others regarding dedicated sources for affordable housing  | Ongoing   | ED         |
|   | F Further collaborate with HCD and TCAC on asset management functions  | 06/30/16  | AM         |
|   | G Explore development of new programs to meet California's affordable housing needs  | Ongoing   | ED         |

**CalHFA Strategic Business Plan FY2015-16**

Mission: To create and finance progressive housing solutions so more Californians have a place to call home.

Goals of Organization:

- CalHFA:** 1) Reinvalidate lending activities. Grow the Agency's balance sheet and increase future income. 1-3  
 2) Align lending activities with State housing policy and increase operational efficiency. 4-7  
**KYHC:** 3) Help prevent avoidable foreclosures by providing assistance to eligible homeowners who have financial hardship and/or significant negative equity 8

Strategy

| Key Strategy                         | Action Items  | Due Dates | Item Owner |
|--------------------------------------|---|-----------|------------|
| 8 Maximize use of KYHC program funds | A Submit program changes as needed to US Treasury to facilitate increased eligibility   | Ongoing   | KYHC       |
|                                      | B Aggressively market programs to eligible homeowners, community groups and media to expand awareness                                       | Ongoing   | KYHC       |
|                                      | C Aggressively pursue and on-board additional servicers   | Ongoing   | KYHC       |
|                                      | D Collaborate with other public and private sector entities to maximize and leverage potential benefits of foreclosure prevention resources | Ongoing   | KYHC       |
|                                      | E Measure program outcomes and assess barriers to eligibility   | Ongoing   | KYHC       |
|                                      | F Monitor program recipients to assess level of homeownership sustainability facilitated by program assistance                              | Ongoing   | KYHC       |

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

**MEMORANDUM**

**To:** Board of Directors  
California Housing Finance Agency

**Date:** March 15, 2016

**From:** Donald Cavier, Chief Deputy Director  
California Housing Finance Agency

**Subject:** Agenda Item 6 - FY 2015-16 CalHFA MID-YEAR BUDGET UPDATE

In May 2015, the Board approved the FY 2015-16 Operating Budget in conjunction with the adoption of the FY 2015-16 Business Plan. The approved operating budget includes a resource budget of \$62.5 million and expenditure budget of \$42.8 million and includes 273 permanent positions. At December 31, 2015, resources are \$4.8 million or 15% ahead of mid-year projections and operating expenses are \$2.3 million or 11% below mid-year projections. The table below provides a breakdown of our mid-year results as well as revised projections for fiscal year 2015-16.

| <b>CALIFORNIA HOUSING FINANCE AGENCY<br/>MID-YEAR 2015-16 BUDGET UPDATE<br/>(DOLLARS IN THOUSANDS)</b> |                            |                            |                             |                 |              |                              |
|--|----------------------------|----------------------------|-----------------------------|-----------------|--------------|------------------------------|
|  | <b>Approved<br/>Budget</b> | <b>Mid-Year<br/>Budget</b> | <b>Mid-Year<br/>Actuals</b> | <b>Variance</b> | <b>%</b>     | <b>Projected<br/>2015-16</b> |
| <b>RESOURCES</b>   |                            |                            |                             |                 |              |                              |
| Loan Servicing   | \$ 2,067                   | \$ 1,034                   | \$ 1,250                    | \$ 217          | 20.9%        | \$ 2,500                     |
| Insurance Release  | \$ 813                     | \$ 407                     | \$ 988                      | \$ 582          | 143.1%       | \$ 1,335                     |
| Loan Repayments  | \$ 18,997                  | \$ 9,499                   | \$ 10,894                   | \$ 1,396        | 14.7%        | \$ 19,313                    |
| Interest (mortgages/securities/cash)   | \$ 10,298                  | \$ 5,149                   | \$ 4,898                    | \$ (251)        | -4.9%        | \$ 9,146                     |
| Fee Income   | \$ 27,582                  | \$ 13,791                  | \$ 15,208                   | \$ 1,417        | 10.3%        | \$ 30,033                    |
| Extraordinary Items  | \$ 2,803                   | \$ 1,402                   | \$ 2,847                    | \$ 1,446        | 103.1%       | \$ 11,108                    |
| <b>TOTALS</b>  | <b>\$ 62,560</b>           | <b>\$ 31,280</b>           | <b>\$ 36,085</b>            | <b>\$ 4,805</b> | <b>15.4%</b> | <b>\$ 73,435</b>             |
| <b>OPERATING BUDGET</b>  |                            |                            |                             |                 |              |                              |
| Salaries and Wages   | \$ 21,566                  | \$ 10,783                  | \$ 10,055                   | \$ 728          | 6.8%         | \$ 19,841                    |
| Reimbursements   | \$ (534)                   | \$ (267)                   | \$ (491)                    | \$ 224          | -83.9%       | \$ (982)                     |
| Benefits   | \$ 8,754                   | \$ 4,377                   | \$ 4,362                    | \$ 15           | 0.3%         | \$ 8,724                     |
| General Expense  | \$ 641                     | \$ 321                     | \$ 329                      | \$ (9)          | -2.7%        | \$ 658                       |
| Communications   | \$ 499                     | \$ 250                     | \$ 169                      | \$ 81           | 32.3%        | \$ 440                       |
| Travel   | \$ 414                     | \$ 207                     | \$ 172                      | \$ 35           | 16.9%        | \$ 390                       |
| Training   | \$ 160                     | \$ 80                      | \$ 27                       | \$ 53           | 66.3%        | \$ 96                        |
| Facilities Operation   | \$ 3,100                   | \$ 1,550                   | \$ 1,514                    | \$ 36           | 2.3%         | \$ 3,100                     |
| Consulting & Professional Services   | \$ 3,982                   | \$ 1,991                   | \$ 1,084                    | \$ 907          | 45.6%        | \$ 2,868                     |
| Central Administrative Services  | \$ 2,960                   | \$ 1,480                   | \$ 1,461                    | \$ 19           | 1.3%         | \$ 2,960                     |
| Information Technology   | \$ 602                     | \$ 301                     | \$ 210                      | \$ 91           | 30.2%        | \$ 495                       |
| Equipment  | \$ 130                     | \$ 65                      | \$ 20                       | \$ 45           | 69.2%        | \$ 190                       |
| Strategic Project Contracts  | \$ 476                     | \$ 238                     | \$ 100                      | \$ 138          | 58.0%        | \$ 427                       |
| <b>TOTALS</b>  | <b>\$ 42,750</b>           | <b>\$ 21,375</b>           | <b>\$ 19,012</b>            | <b>\$ 2,363</b> | <b>11.1%</b> | <b>\$ 39,207</b>             |
| <b>NET SURPLUS/(EXPENDITURE)</b>   | <b>\$ 19,810</b>           | <b>\$ 9,905</b>            | <b>\$ 17,073</b>            | <b>\$ 7,168</b> | <b>72.4%</b> | <b>\$ 34,228</b>             |

**RESOURCES:**

At mid-year, resources are trending \$4.8 million or 15% higher than originally anticipated due to increased servicing income, the release of earthquake insurance reserves, accelerated loan repayments, increased lending fees and the transfer of loans from the Housing Program Bonds (HPB) indenture. During the first half of the fiscal year, CalHFA's Single Family Loan Servicing Division reacquired the servicing rights for 1,017 CalHFA first loans serviced by third parties which resulted in increased servicing fees. The release of the insurance reserve and the increase in loan repayments are the direct result of the higher than expected prepayment speed of the loan portfolio. The budget conservatively estimated prepayment speeds of 6% annually; however, the actual rate of prepayment was closer to three times that rate or 18%. Similarly, fee income has outpaced expectations due to the increase in single family lending activity. Finally, another contributing factor to the increase in resources was the redemption of all bonds under the HPB indenture and the transfer of the remaining assets from the indenture to the operating fund. The loan repayments received from those transferred assets resulted in an additional \$1.4 million of unexpected resource.

**OPERATING BUDGET:**

The operating budget is trending \$2.4 million or 11% under budget at mid-year due primarily to salary savings from vacancies, increased reimbursements for staff services provided to other State agencies and cost savings from professional services contracts and strategic projects. Salary and benefit costs make up 70% of the operating budget and provides for both permanent and temporary help positions. The fiscal year 2015-16 budget authorized full time equivalent positions of 285.8 FTE (273 regular positions and 12.8 temporary positions), a net reduction of 11.1 positions compared with prior year. At mid-year, salary costs are trending 7% under budget due to the increase in vacant positions from employee retirements and separations. To ensure the efficient use of staff resources, the Agency requires that the department's workload supports the replacement of the position, and that there are no internal opportunities to transfer between departments prior to initiating recruitment efforts. At mid-year, the Agency had 35 vacant positions, of which, 15 positions are in various stages of the recruitment process. Several of the remaining vacancies are being considered for elimination in the fiscal 2016-17 budget process. In recent years, the Agency has struggled to keep up with the demand for recruitments and is assessing new ways to complete recruitments efficiently and timely. As more Agency employees become eligible for retirement, it is imperative that CalHFA develop a workforce planning strategy to address recruitment, retention and succession planning in the coming year.

Reimbursements for staff services from HCD and CalTrans were not anticipated at the time the budget was originally developed, and costs for professional services and strategic projects are substantially under budget. Many of the professional services contracts have not been utilized or are scheduled for expenditure in the second half of the fiscal year.

Overall, CalHFA's operating budget is projected to be \$39.2 million, well within the approved fiscal year operating budget of \$42.8 million.

Attachments

Item 6 - FY 2015-16 Mid-Year Budget Update:

1. Consolidated Operating Budget Detail
2. Summary of Personnel and Division Budgets
3. 2245 CA Housing Finance Agency – Position/Salary Detail

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

**CALIFORNIA HOUSING FINANCE AGENCY  
2015-16 (MID-YEAR UPDATE)  
CONSOLIDATED CALHFA AND MIS FUNDS OPERATING BUDGET  
(DOLLARS IN THOUSANDS)**

|   | Budget Year 2015-16 |                    |                     |                 |               |                      |
|---|---------------------|--------------------|---------------------|-----------------|---------------|----------------------|
|   | Approved<br>Budget  | Mid-Year<br>Budget | Mid-Year<br>Actuals | Variance        | Variance<br>% | Projected<br>2015-16 |
| <b>RESOURCES</b>                          |                     |                    |                     |                 |               |                      |
| <b>Legacy Resources</b>                   |                     |                    |                     |                 |               |                      |
| Loan Servicing                            | \$ 2,067            | \$ 1,034           | \$ 1,250            | \$ 217          | 20.9%         | \$ 2,500             |
| Insurance Release                         | \$ 813              | \$ 407             | \$ 988              | \$ 582          | 143.1%        | \$ 1,335             |
| Loan Repayments                           | \$ 18,646           | \$ 9,323           | \$ 10,830           | \$ 1,507        | 16.2%         | \$ 19,073            |
| Interest (mortgages/securities/cash)      | \$ 10,298           | \$ 5,149           | \$ 4,898            | \$ (251)        | -4.9%         | \$ 9,146             |
| Fee Income                                | \$ 18,458           | \$ 9,229           | \$ 9,264            | \$ 35           | 0.4%          | \$ 19,813            |
| Extraordinary Items                       | \$ 2,803            | \$ 1,402           | \$ 2,847            | \$ 1,446        | 103.1%        | \$ 11,108            |
| <b>TOTALS, Legacy Resources</b>           | <b>\$ 53,085</b>    | <b>\$ 26,543</b>   | <b>\$ 30,077</b>    | <b>\$ 3,535</b> | <b>13.3%</b>  | <b>\$ 62,975</b>     |
| <b>New Era Resources</b>                  |                     |                    |                     |                 |               |                      |
| Fee Income:                               |                     |                    |                     |                 |               |                      |
| Single-family Programs                    | \$ 5,972            | \$ 2,986           | \$ 4,261            | \$ 1,275        | 42.7%         | \$ 7,216             |
| Multifamily Programs                      | \$ 1,265            | \$ 633             | \$ 1,016            | \$ 384          | 60.6%         | \$ 1,482             |
| Multifamily Asset Management              | \$ 200              | \$ 100             | \$ 93               | \$ (7)          | -7.0%         | \$ 187               |
| MHSA origination fees                     | \$ 370              | \$ 185             | \$ 124              | \$ (61)         | -33.0%        | \$ 262               |
| Loan Repayments                           | \$ 351              | \$ 176             | \$ 64               | \$ (112)        | -63.5%        | \$ 240               |
| Fee Income                                | \$ 1,317            | \$ 659             | \$ 450              | \$ (209)        | -31.7%        | \$ 1,073             |
| <b>TOTALS, New Era Resources</b>          | <b>\$ 9,475</b>     | <b>\$ 4,738</b>    | <b>\$ 6,008</b>     | <b>\$ 1,271</b> | <b>26.8%</b>  | <b>\$ 10,460</b>     |
| <b>TOTALS, RESOURCES</b>                  | <b>\$ 62,560</b>    | <b>\$ 31,280</b>   | <b>\$ 36,085</b>    | <b>\$ 4,805</b> | <b>15.4%</b>  | <b>\$ 73,435</b>     |
| <b>OPERATING BUDGET</b>                   |                     |                    |                     |                 |               |                      |
| Salaries and Wages                        | \$ 21,566           | \$ 10,783          | \$ 10,055           | \$ 728          | 6.8%          | \$ 19,841            |
| Reimbursements                            | \$ (534)            | \$ (267)           | \$ (491)            | \$ 224          | -83.9%        | \$ (982)             |
| Benefits                                  | \$ 8,754            | \$ 4,377           | \$ 4,362            | \$ 15           | 0.3%          | \$ 8,724             |
| General Expense                           | \$ 641              | \$ 321             | \$ 329              | \$ (9)          | -2.7%         | \$ 658               |
| Communications                            | \$ 499              | \$ 250             | \$ 169              | \$ 81           | 32.3%         | \$ 440               |
| Travel                                    | \$ 414              | \$ 207             | \$ 172              | \$ 35           | 16.9%         | \$ 390               |
| Training                                  | \$ 160              | \$ 80              | \$ 27               | \$ 53           | 66.3%         | \$ 96                |
| Facilities Operation                      | \$ 3,100            | \$ 1,550           | \$ 1,514            | \$ 36           | 2.3%          | \$ 3,100             |
| Consulting & Professional Services        | \$ 3,982            | \$ 1,991           | \$ 1,084            | \$ 907          | 45.6%         | \$ 2,868             |
| Central Administrative Services (ProRata) | \$ 2,960            | \$ 1,480           | \$ 1,461            | \$ 19           | 1.3%          | \$ 2,960             |
| Information Technology                    | \$ 602              | \$ 301             | \$ 210              | \$ 91           | 30.2%         | \$ 495               |
| Equipment                                 | \$ 130              | \$ 65              | \$ 20               | \$ 45           | 69.2%         | \$ 190               |
| Strategic Project Contracts               | \$ 476              | \$ 238             | \$ 100              | \$ 138          | 58.0%         | \$ 427               |
| <b>TOTALS, EXPENDITURES</b>               | <b>\$ 42,750</b>    | <b>\$ 21,375</b>   | <b>\$ 19,012</b>    | <b>\$ 2,363</b> | <b>11.1%</b>  | <b>\$ 39,207</b>     |
| <b>NET OPERATING INCOME</b>               | <b>\$ 19,810</b>    | <b>\$ 9,905</b>    | <b>\$ 17,073</b>    | <b>\$ 7,168</b> | <b>72.4%</b>  | <b>\$ 34,228</b>     |

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

February 23, 2016

CALIFORNIA HOUSING FINANCE AGENCY  
2015-16

SUMMARY  
PERSONNEL AND DIVISION BUDGETS

| DIVISION                     | PERSONNEL BUDGET  |                     |                      | DIVISION BUDGET AMOUNTS |                     |                      |
|------------------------------|-------------------|---------------------|----------------------|-------------------------|---------------------|----------------------|
|                              | Actual<br>2014-15 | Budgeted<br>2015-16 | Projected<br>2015-16 | Actual<br>2014-15       | Budgeted<br>2015-16 | Projected<br>2015-16 |
| BOARD MEMBERS                | 0.0               | 0.0                 | 0.0                  | \$17,424                | \$80,100            | \$29,346             |
| EXECUTIVE OFFICE             | 6.0               | 8.0                 | 8.0                  | \$1,092,658             | \$1,506,955         | \$1,086,045          |
| ADMINISTRATION               | 18.8              | 22.0                | 22.0                 | \$1,830,023             | \$2,198,902         | \$1,838,381          |
| FINANCING                    | 10.5              | 11.5                | 11.5                 | \$1,613,384             | \$1,746,542         | \$1,377,634          |
| MIS                          | 0.0               | 1.0                 | 1.0                  | \$373,280               | \$450,870           | \$345,497            |
| FISCAL SERVICES              | 45.8              | 48.0                | 48.0                 | \$4,716,017             | \$5,301,125         | \$5,020,172          |
| GENERAL COUNSEL              | 19.9              | 21.0                | 21.0                 | \$3,289,789             | \$3,474,607         | \$3,204,642          |
| MARKETING                    | 6.9               | 8.0                 | 8.0                  | \$1,430,377             | \$1,389,893         | \$1,190,190          |
| I.T.                         | 18.6              | 21.0                | 21.0                 | \$4,007,016             | \$3,759,738         | \$3,404,594          |
| SINGLE FAMILY                | 54.3              | 57.0                | 57.0                 | \$5,765,140             | \$6,284,586         | \$6,068,774          |
| LOAN SERVICING               | 21.3              | 21.0                | 21.0                 | \$2,826,340             | \$2,785,495         | \$2,711,591          |
| MULTIFAMILY                  | 24.5              | 26.5                | 26.5                 | \$3,175,782             | \$3,700,364         | \$3,573,222          |
| ASSET MANAGEMENT             | 25.0              | 28.0                | 28.0                 | \$3,368,691             | \$3,865,751         | \$3,535,745          |
| INDIRECT COST POOL/TEMPS     | 10.5              | 12.8                | 12.8                 | \$5,599,023             | \$6,739,960         | \$6,803,326          |
| REIMBURSEMENTS               | -                 | -                   | -                    | (\$530,074)             | (\$534,223)         | (\$982,000)          |
| TOTAL PYS AND BUDGET AMOUNTS | 262.1             | 285.8               | 285.8                | \$38,574,870            | \$42,750,665        | \$39,207,159         |

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

## 2245 CALIFORNIA HOUSING FINANCE AGENCY

| ORGANIZATIONAL UNIT<br><br>Classification | NUMBER OF POSITIONS |                       |                      | EXPENDITURES                        |                     |                      |
|---|---------------------|-----------------------|----------------------|-------------------------------------|---------------------|----------------------|
|   | Filled<br>2014-15   | Authorized<br>2015-16 | Projected<br>2015-16 | Actual<br>2014-15<br>(Salary Range) | Approved<br>2015-16 | Projected<br>2015-16 |
| <b>OPERATIONS</b>                         |                     |                       |                      |                                     |                     |                      |
| <b>Executive Office</b>                   |                     |                       |                      |                                     |                     |                      |
| Executive Office:                         |                     |                       |                      |                                     |                     |                      |
| Board Members                             | -                   | -                     | -                    | \$100/day                           | \$5,000             | \$5,000              |
| Executive Director                        | 1.0                 | 1.0                   | 1.0                  | 12,500-17,500                       | 175,000             | 192,500              |
| Chief Deputy Director                     | 0.3                 | 1.0                   | 1.0                  | 11,522-15,833                       | 175,000             | 180,876              |
| Spec Asst to Director, C.E.A. B           | 0.5                 | 1.0                   | 1.0                  | 8,766-10,442                        | 111,552             | 111,552              |
| Adm Asst II                               | 0.8                 | 1.0                   | 1.0                  | 4,488-5,618                         | 69,096              | 69,096               |
| Legislative Office:                       |                     |                       |                      |                                     |                     |                      |
| Director of Legislation and CalMAC        | 1.0                 | 1.0                   | 1.0                  | 11,458-14,167                       | 154,128             | 154,128              |
| Staff Services Mgr II                     | 1.0                 | 1.0                   | 1.0                  | 6,296-7,152                         | 83,148              | 83,148               |
| Assoc Govtl Prog Analyst                  | 0.4                 | 1.0                   | 1.0                  | 4,488-5,618                         | 67,752              | 67,752               |
| Adm Asst I                                | 1.0                 | 1.0                   | 1.0                  | 3,371-4,671                         | 50,844              | 50,844               |
| Totals, CalHFA Executive Office           | 6.0                 | 8.0                   | 8.0                  | \$725,481                           | \$891,520           | \$914,896            |
| <b>Administrative Division</b>            |                     |                       |                      |                                     |                     |                      |
| Special Consultant                        | 0.3                 | -                     | -                    | 11,667-15,833                       | -                   | -                    |
| Staff Services Mgr III                    | -                   | 1.0                   | 1.0                  | 6,915-7,852                         | 89,500              | 89,500               |
| Budgets:                                  |                     |                       |                      |                                     |                     |                      |
| Staff Services Mgr II                     | 0.3                 | 1.0                   | 1.0                  | 6,296-7,152                         | 87,500              | 87,500               |
| Staff Services Mgr I                      | 0.7                 | -                     | -                    | 5,181-6,437                         | -                   | -                    |
| Assoc Govtl Prog Analyst                  | 2.0                 | 2.0                   | 2.0                  | 4,488-5,618                         | 129,000             | 129,000              |
| Staff Services Analyst                    | -                   | 1.0                   | 1.0                  | 3,371-4,671                         | 55,000              | 55,000               |
| Business Services:                        |                     |                       |                      |                                     |                     |                      |
| Staff Services Mgr I                      | 1.0                 | 1.0                   | 1.0                  | 5,181-6,437                         | 79,176              | 79,176               |
| Assoc Govtl Prog Analyst                  | 2.0                 | 2.0                   | 2.0                  | 4,488-5,618                         | 138,192             | 138,192              |
| Staff Services Analyst                    | 1.0                 | 1.0                   | 1.0                  | 3,371-4,671                         | 55,476              | 55,476               |
| Office Techn-Typing                       | 0.5                 | -                     | -                    | 2,740-3,429                         | -                   | -                    |
| Business Service Assistant-Spec           | 1.0                 | 1.0                   | 1.0                  | 2,545-3,895                         | 47,904              | 47,904               |
| Mgt Services Techn                        | 0.5                 | 1.0                   | 1.0                  | 2,545-3,600                         | 37,104              | 37,104               |
| Central Scan Facility:                    |                     |                       |                      |                                     |                     |                      |
| Staff Info Systems Analyst-Spec           | 0.8                 | -                     | -                    | 5,166-6,793                         | -                   | -                    |
| Info Systems Techn                        | 1.0                 | 1.0                   | 1.0                  | 2,530-3,926                         | 35,000              | 35,000               |
| Human Resources:                          |                     |                       |                      |                                     |                     |                      |
| Staff Services Mgr II                     | 1.0                 | 1.0                   | 1.0                  | 6,296-7,152                         | 87,972              | 87,972               |
| Assoc Govtl Prog Analyst                  | 1.0                 | 1.0                   | 1.0                  | 4,488-5,618                         | 69,096              | 69,096               |
| Assoc Pers Analyst                        | 2.0                 | 3.0                   | 3.0                  | 4,488-5,618                         | 207,288             | 207,288              |
| Office Techn-Typing                       | 1.7                 | 3.0                   | 3.0                  | 2,740-3,429                         | 126,540             | 126,540              |
| Pers Spec                                 | 1.8                 | 2.0                   | 2.0                  | 2,654-4,273                         | 108,000             | 108,000              |
| Mgt Services Techn                        | 0.2                 | -                     | -                    | 2,545-3,600                         | -                   | -                    |
| Totals, CalHFA Administrative Division    | 18.8                | 22.0                  | 22.0                 | \$1,070,263                         | \$1,352,748         | \$1,352,748          |
| <b>Financing Division</b>                 |                     |                       |                      |                                     |                     |                      |
| Director                                  | 1.0                 | 1.0                   | 1.0                  | 11,524-15,833                       | 189,996             | 190,000              |
| Adm Asst I                                | 0.5                 | 0.5                   | 0.5                  | 3,371-4,671                         | 30,060              | 30,060               |
| Operating:                                |                     |                       |                      |                                     |                     |                      |
| Acctg Administrator III                   | 1.0                 | 1.0                   | 1.0                  | 6,915-7,852                         | 96,576              | 96,576               |
| Financing Ofcr                            | 2.0                 | 2.0                   | 2.0                  | 6,236-7,765                         | 191,016             | 191,016              |
| Financing Assoc                           | 1.0                 | 1.0                   | 1.0                  | 4,488-5,618                         | 67,752              | 67,752               |
| Risk Management and Mortgage Insurance:   |                     |                       |                      |                                     |                     |                      |
| Risk Manager                              | 1.0                 | 1.0                   | 1.0                  | 8,333-11,458                        | 137,496             | 137,500              |
| Financing Ofcr                            | 3.0                 | 3.0                   | 3.0                  | 6,236-7,765                         | 286,524             | 286,524              |
| Housing Finance Ofcr                      | -                   | 1.0                   | 1.0                  | 6,236-7,765                         | 95,508              | 95,508               |
| Financing Spec                            | -                   | 1.0                   | 0.7                  | 4,930-6,171                         | 75,900              | 50,600               |
| Financing Assoc                           | 1.0                 | -                     | 0.3                  | 4,488-5,618                         | -                   | 22,584               |
| Staff Services Analyst                    | -                   | 1.0                   | 1.0                  | 3,371-4,671                         | 57,456              | 57,456               |
| Totals, CalHFA Financing Services         | 10.5                | 12.5                  | 12.5                 | \$1,048,587                         | \$1,228,284         | \$1,225,576          |

## 2245 CALIFORNIA HOUSING FINANCE AGENCY

| ORGANIZATIONAL UNIT<br><br>Classification | NUMBER OF POSITIONS |                       |                      | EXPENDITURES                        |                     |                      |
|---|---------------------|-----------------------|----------------------|-------------------------------------|---------------------|----------------------|
|   | Filled<br>2014-15   | Authorized<br>2015-16 | Projected<br>2015-16 | Actual<br>2014-15<br>(Salary Range) | Approved<br>2015-16 | Projected<br>2015-16 |
| <b>Fiscal Services Division</b>           |                     |                       |                      |                                     |                     |                      |
| <b>Fiscal Services</b>                    |                     |                       |                      |                                     |                     |                      |
| Comptroller, C.E.A. A                     | 1.0                 | 1.0                   | 1.0                  | 6,296-9,051                         | 114,043             | 114,043              |
| Deputy Comptroller, C.E.A. A              | -                   | 1.0                   | 1.0                  | 6,296-9,051                         | 94,056              | 94,056               |
| Bond Administration:                      |                     |                       |                      |                                     |                     |                      |
| Acctg Administrator II                    | 1.0                 | 1.0                   | 1.0                  | 5,688-7,068                         | 86,940              | 86,940               |
| Acctg Administrator I-Spec                | 2.0                 | 2.0                   | 2.0                  | 4,930-6,171                         | 151,800             | 151,800              |
| Assoc Acctg Analyst                       | -                   | -                     | 0.4                  | 4,711-5,900                         | -                   | 30,104               |
| Sr Acctg Officer-Spec                     | 2.0                 | 2.0                   | 2.0                  | 4,488-5,618                         | 138,192             | 138,192              |
| Financial Reporting:                      |                     |                       |                      |                                     |                     |                      |
| Acctg Administrator II                    | 1.0                 | 1.0                   | 1.0                  | 5,688-7,068                         | 86,940              | 86,940               |
| Acctg Administrator I-Spec                | 2.0                 | 3.0                   | 3.0                  | 4,930-6,171                         | 227,700             | 227,700              |
| Assoc Acctg Analyst                       | 0.8                 | 1.0                   | 1.0                  | 4,711-5,900                         | 72,250              | 72,250               |
| Sr Acctg Officer-Spec                     | 0.8                 | 1.0                   | 1.0                  | 4,488-5,618                         | 69,096              | 69,096               |
| Fiscal Systems:                           |                     |                       |                      |                                     |                     |                      |
| Sr Adm Analyst-Acctg Sys                  | 1.0                 | 1.0                   | 1.0                  | 5,688-7,068                         | 86,940              | 86,940               |
| Assoc Adm Analyst-Acctg Sys               | 1.0                 | 2.0                   | 2.0                  | 4,711-5,900                         | 145,152             | 145,152              |
| Single Family:                            |                     |                       |                      |                                     |                     |                      |
| Acctg Administrator II                    | 1.0                 | 1.0                   | 1.0                  | 5,688-7,068                         | 86,940              | 86,940               |
| Acctg Administrator I-Supvr               | 1.0                 | 1.0                   | 0.6                  | 5,181-6,437                         | 77,625              | 45,283               |
| Acctg Administrator I-Spec                | 1.0                 | 1.0                   | 1.0                  | 4,930-6,171                         | 75,903              | 75,903               |
| Sr Acctg Officer-Supvr                    | 1.0                 | 1.0                   | 1.0                  | 4,714-5,858                         | 70,639              | 70,639               |
| Sr Acctg Officer-Spec                     | 1.4                 | 1.0                   | 1.0                  | 4,488-5,618                         | 67,748              | 67,748               |
| Acctg Officer-Spec                        | 7.0                 | 10.0                  | 7.0                  | 3,918-4,906                         | 603,480             | 422,436              |
| Accountant Trainee                        | 3.8                 | -                     | 3.0                  | 3,305-3,941                         | -                   | 145,440              |
| Accountant I-Spec                         | 2.0                 | 2.0                   | 2.0                  | 2,927-3,665                         | 90,168              | 90,168               |
| Multifamily:                              |                     |                       |                      |                                     |                     |                      |
| Acctg Administrator II                    | 1.0                 | 1.0                   | 1.0                  | 5,688-7,068                         | 86,940              | 86,940               |
| Acctg Administrator I-Supvr               | 1.0                 | 1.0                   | 1.0                  | 5,181-6,437                         | 77,628              | 77,628               |
| Acctg Administrator I-Spec                | 2.0                 | 2.0                   | 2.0                  | 4,930-6,171                         | 151,800             | 151,800              |
| Sr Acctg Officer-Spec                     | 2.0                 | 2.0                   | 2.0                  | 4,488-5,618                         | 138,192             | 138,192              |
| Acctg Officer-Spec                        | 3.0                 | 3.0                   | 3.0                  | 3,918-4,906                         | 181,044             | 181,044              |
| Accountant Trainee                        | 1.0                 | 1.0                   | 1.0                  | 3,305-3,941                         | 48,480              | 48,480               |
| Operating:                                |                     |                       |                      |                                     |                     |                      |
| Acctg Administrator I-Supvr               | 1.0                 | 1.0                   | 1.0                  | 5,181-6,437                         | 77,628              | 77,628               |
| Sr Acctg Officer-Spec                     | 1.0                 | 1.0                   | 1.0                  | 4,488-5,618                         | 69,096              | 69,096               |
| Acctg Officer-Spec                        | 1.0                 | 1.0                   | 1.0                  | 3,918-4,906                         | 60,348              | 60,348               |
| Accountant Trainee                        | 1.0                 | 1.0                   | 1.0                  | 3,305-3,941                         | 48,480              | 48,480               |
| Office Techn-Gen                          | 1.0                 | 1.0                   | 1.0                  | 2,691-3,371                         | 41,460              | 41,460               |
| Totals, CalHFA Fiscal Services            | 45.8                | 48.0                  | 48.0                 | \$2,792,376                         | \$3,326,708         | \$3,288,866          |
| <b>General Counsel Division</b>           |                     |                       |                      |                                     |                     |                      |
| General Counsel                           | 1.0                 | 1.0                   | 1.0                  | 10,833-14,167                       | 170,004             | 170,000              |
| Asst Chief Counsel                        | 1.0                 | 1.0                   | 1.0                  | 9,109-10,551                        | 126,612             | 126,612              |
| General Counsel:                          |                     |                       |                      |                                     |                     |                      |
| Housing Finance Spec                      | 1.0                 | 1.0                   | 1.0                  | 4,930-6,171                         | 75,900              | 75,900               |
| Sr Typist-Legal                           | 1.0                 | 2.0                   | 1.0                  | 2,641-3,693                         | 80,807              | 40,404               |
| Office Asst-Gen                           | 1.0                 | -                     | 1.0                  | 2,115-2,910                         | -                   | 34,236               |
| Records Management:                       |                     |                       |                      |                                     |                     |                      |
| Staff Services Mgr I                      | 1.0                 | 1.0                   | 1.0                  | 5,181-6,437                         | 79,176              | 79,176               |
| Assoc Govtl Prog Analyst                  | 0.8                 | 1.0                   | 1.0                  | 4,488-5,618                         | 69,096              | 69,096               |
| Mgt Services Techn                        | 1.0                 | 1.0                   | 1.0                  | 2,545-3,188                         | 44,280              | 44,280               |
| Asset Management:                         |                     |                       |                      |                                     |                     |                      |
| Attorney IV                               | -                   | 1.0                   | -                    | 8,656-11,114                        | 129,847             | -                    |
| Attorney III                              | 2.0                 | 1.0                   | 2.0                  | 7,682-9,857                         | 111,560             | 223,120              |
| Housing Finance Spec                      | 1.0                 | 1.0                   | 1.0                  | 4,930-6,171                         | 75,900              | 75,900               |
| Single Family:                            |                     |                       |                      |                                     |                     |                      |

## 2245 CALIFORNIA HOUSING FINANCE AGENCY

| ORGANIZATIONAL UNIT<br><br>Classification      | NUMBER OF POSITIONS |                       |                      | EXPENDITURES                        |                     |                      |
|--|---------------------|-----------------------|----------------------|-------------------------------------|---------------------|----------------------|
|  | Filled<br>2014-15   | Authorized<br>2015-16 | Projected<br>2015-16 | Actual<br>2014-15<br>(Salary Range) | Approved<br>2015-16 | Projected<br>2015-16 |
| Attorney III                                   | 2.7                 | 3.0                   | 3.0                  | 7,682-9,857                         | 363,723             | 363,723              |
| Housing Finance Spec                           | 1.0                 | 1.0                   | 1.0                  | 4,930-6,171                         | 75,900              | 75,900               |
| Multifamily:                                   |                     |                       |                      |                                     |                     |                      |
| Attorney III                                   | 3.0                 | 3.0                   | 3.0                  | 7,682-9,857                         | 363,723             | 363,723              |
| Housing Finance Spec                           | 1.4                 | 2.0                   | 2.0                  | 4,930-6,171                         | 113,850             | 113,850              |
| Legal Asst                                     | 1.0                 | 1.0                   | 1.0                  | 3,454-4,324                         | 53,184              | 53,184               |
| Totals, CalHFA Legal Services                  | 19.9                | 21.0                  | 21.0                 | \$1,718,810                         | \$1,933,562         | \$1,909,104          |
| <b>Marketing Division</b>                      |                     |                       |                      |                                     |                     |                      |
| C.E.A. A                                       | 0.7                 | 1.0                   | 1.0                  | 6,296-9,051                         | 114,043             | 94,200               |
| Sr Info Systems Analyst-Sup                    | 1.0                 | 1.0                   | 1.0                  | 5,967-7,843                         | 96,468              | 96,468               |
| Marketing:                                     |                     |                       |                      |                                     |                     |                      |
| Sr Marketing Spec                              | 0.2                 | -                     | -                    | 5,435-6,804                         | -                   | -                    |
| Information Officer II                         | -                   | 2.0                   | 1.2                  | 5,418-6,733                         | 170,965             | 99,731               |
| Staff Services Mgr I-Spec                      | 2.0                 | -                     | 0.8                  | 5,181-6,437                         | -                   | 65,980               |
| Information Officer I                          | -                   | 1.0                   | 1.0                  | 4,488-5,618                         | 62,148              | 62,148               |
| Staff Services Analyst                         | 1.0                 | 1.0                   | 1.0                  | 3,371-4,671                         | 48,804              | 48,804               |
| Digital Media                                  |                     |                       |                      |                                     |                     |                      |
| Associate Info Systems Analyst-Spec            | 1.0                 | 1.0                   | 1.0                  | 4,711-6,195                         | 76,200              | 76,200               |
| Graphic Designer III                           | 1.0                 | 1.0                   | 1.0                  | 4,454-5,577                         | 63,720              | 63,720               |
| Totals, CalHFA Marketing Services              | 6.9                 | 8.0                   | 8.0                  | \$544,160                           | \$632,348           | \$607,251            |
| <b>Information Technology Division</b>         |                     |                       |                      |                                     |                     |                      |
| Chief Information Officer                      | 1.0                 | 1.0                   | 1.0                  | 8,333-11,458                        | 137,496             | 137,500              |
| Application Systems Development & Support:     |                     |                       |                      |                                     |                     |                      |
| Data Processing Manager III                    | -                   | 1.0                   | -                    | 7,260-8,656                         | 101,292             | -                    |
| Sr Programmer Analyst-Supvr                    | 1.0                 | -                     | 1.0                  | 5,967-7,843                         | -                   | 96,468               |
| Sr Programmer Analyst-Spec                     | 3.3                 | 4.0                   | 3.4                  | 5,682-7,468                         | 367,440             | 313,855              |
| Staff Programmer Analyst-Spec                  | 2.0                 | 2.0                   | 2.0                  | 5,166-6,793                         | 157,512             | 157,512              |
| Assoc Info Systems Analyst-Spec                | -                   | 1.0                   | 1.0                  | 4,711-6,195                         | 70,764              | 70,764               |
| Assoc Programmer Analyst-Spec                  | -                   | -                     | 0.6                  | 4,711-6,195                         | -                   | 41,279               |
| Security Administration & Workstation Support: |                     |                       |                      |                                     |                     |                      |
| Data Processing Manager III                    | -                   | 1.0                   | -                    | 7,260-8,656                         | 98,606              | -                    |
| Data Processing Manager II                     | 1.0                 | -                     | 1.0                  | 5,966-7,842                         | -                   | 93,912               |
| Staff Info Systems Analyst-Spec                | 1.3                 | 2.0                   | 2.0                  | 5,166-6,793                         | 150,276             | 150,276              |
| Assoc Info Systems Analyst-Spec                | 2.0                 | 2.0                   | 2.0                  | 4,711-6,195                         | 143,652             | 143,652              |
| Technical Support Services                     |                     |                       |                      |                                     |                     |                      |
| Systems Software Spec III-Supvr                | 1.0                 | 1.0                   | 1.0                  | 6,544-8,602                         | 105,804             | 105,804              |
| Systems Software Spec II-Tech                  | 2.0                 | 2.0                   | 2.0                  | 5,672-7,456                         | 183,408             | 183,408              |
| Staff Info Systems Analyst-Spec                | 3.0                 | 3.0                   | 3.0                  | 5,166-6,793                         | 239,760             | 239,760              |
| Assoc Info Systems Analyst-Spec                | 1.0                 | 1.0                   | 1.0                  | 4,711-6,195                         | 76,200              | 76,200               |
| Totals, CalHFA Information Technology Division | 18.6                | 21.0                  | 21.0                 | \$1,535,362                         | \$1,832,210         | \$1,810,390          |
| Temporary Help                                 | 2.8                 | 2.8                   | 2.8                  | 158,883                             | 126,000             | 126,000              |
| Overtime                                       | -                   | -                     | -                    | 14,092                              | 28,000              | 10,000               |
| Totals, CalHFA Operations                      | 129.3               | 143.3                 | 143.3                | \$9,608,014                         | \$11,351,380        | \$11,244,831         |
| <b>PROGRAMS</b>                                |                     |                       |                      |                                     |                     |                      |
| <b>Single Family</b>                           |                     |                       |                      |                                     |                     |                      |
| Director of Homeownership                      | 0.3                 | 1.0                   | 1.0                  | 10,333-15,833                       | 124,008             | 127,008              |
| Totals, CalHFA Single Family Administration    | 0.3                 | 1.0                   | 1.0                  | \$33,267                            | \$124,008           | \$127,008            |
| QA & Support:                                  |                     |                       |                      |                                     |                     |                      |
| Housing Finance Ofcr                           | 1.0                 | -                     | -                    | 6,236-7,765                         | -                   | -                    |
| Housing Finance Spec                           | 1.0                 | -                     | -                    | 4,930-6,171                         | -                   | -                    |
| Totals, CalHFA QA & Support                    | 2.0                 | -                     | -                    | \$151,033                           | \$0                 | \$0                  |
| Lending:                                       |                     |                       |                      |                                     |                     |                      |
| Leads Program:                                 |                     |                       |                      |                                     |                     |                      |
| Housing Finance Ofcr                           | 1.0                 | -                     | -                    | 6,236-7,765                         | -                   | -                    |
| Housing Finance Assoc                          | 0.2                 | -                     | -                    | 4,488-5,618                         | -                   | -                    |
| Lender Admin/Recertification/Training:         |                     |                       |                      |                                     |                     |                      |

## 2245 CALIFORNIA HOUSING FINANCE AGENCY

| ORGANIZATIONAL UNIT<br><br>Classification | NUMBER OF POSITIONS |                       |                      | EXPENDITURES                            |                     |                      |
|---|---------------------|-----------------------|----------------------|---|---------------------|----------------------|
|   | Filled<br>2014-15   | Authorized<br>2015-16 | Projected<br>2015-16 | Actual<br>2014-15<br><br>(Salary Range) | Approved<br>2015-16 | Projected<br>2015-16 |
| Housing Finance Ofcr                      | 1.0                 | -                     | -                    | 6,236-7,765                             | -                   | -                    |
| Housing Finance Spec                      | 1.0                 | -                     | -                    | 4,930-6,171                             | -                   | -                    |
| Housing Finance Assoc                     | 1.0                 | -                     | -                    | 4,488-5,618                             | -                   | -                    |
| Loan Admin/Special Programs:              |                     |                       |                      |   |                     |                      |
| Housing Finance Ofcr                      | 1.0                 | -                     | -                    | 6,236-7,765                             | -                   | -                    |
| Housing Finance Spec                      | 2.0                 | -                     | -                    | 4,930-6,171                             | -                   | -                    |
| Housing Finance Trainee                   | 1.0                 | -                     | -                    | 2,873-3,600                             | -                   | -                    |
| Loan Production:                          |                     |                       |                      |   |                     |                      |
| Housing Finance Ofcr                      | 0.1                 | -                     | -                    | 6,236-7,765                             | -                   | -                    |
| Housing Finance Spec                      | 1.8                 | -                     | -                    | 4,930-6,171                             | -                   | -                    |
| Housing Finance Assoc                     | 6.7                 | -                     | -                    | 4,488-5,618                             | -                   | -                    |
| Office Techn-Gen                          | 1.0                 | -                     | -                    | 2,691-3,371                             | -                   | -                    |
| Office Asst-Gen                           | 0.1                 | -                     | -                    | 2,115-2,910                             | -                   | -                    |
| Loan Production Policy:                   |                     |                       |                      |   |                     |                      |
| Housing Finance Ofcr                      | 1.0                 | -                     | -                    | 6,236-7,765                             | -                   | -                    |
| Secondary Marketing and Loan Purchasing:  |                     |                       |                      |   |                     |                      |
| Housing Finance Ofcr                      | 1.0                 | -                     | -                    | 6,236-7,765                             | -                   | -                    |
| Housing Finance Spec                      | 1.1                 | -                     | -                    | 4,930-6,171                             | -                   | -                    |
| Housing Finance Assoc                     | 0.9                 | -                     | -                    | 4,488-5,618                             | -                   | -                    |
| Special Projects:                         |                     |                       |                      |   |                     |                      |
| Housing Finance Chief                     | 1.0                 | -                     | -                    | 7,602-8,633                             | -                   | -                    |
| Totals, CalHFA Lending                    | 22.9                | -                     | -                    | \$1,653,190                             | \$0                 | \$0                  |
| <b>Mortgage Insurance</b>                 |                     |                       |                      |   |                     |                      |
| Mortgage Insurance:                       |                     |                       |                      |   |                     |                      |
| Housing Finance Ofcr                      | 1.0                 | -                     | -                    | 6,236-7,765                             | -                   | -                    |
| Totals, Mortgage Insurance                | 1.0                 | -                     | -                    | \$93,180                                | \$0                 | \$0                  |
| <b>Portfolio Management</b>               |                     |                       |                      |   |                     |                      |
| Housing Finance Chief                     | 1.0                 | -                     | -                    | 7,602-8,633                             | -                   | -                    |
| REO/Alternative Disposition:              |                     |                       |                      |   |                     |                      |
| Housing Finance Spec                      | 2.1                 | -                     | -                    | 4,930-6,171                             | -                   | -                    |
| Housing Finance Assoc                     | 3.0                 | -                     | -                    | 4,488-5,618                             | -                   | -                    |
| Loss Mitigation:                          |                     |                       |                      |   |                     |                      |
| Housing Finance Ofcr                      | 1.0                 | -                     | -                    | 6,236-7,765                             | -                   | -                    |
| Housing Finance Spec                      | 5.1                 | -                     | -                    | 4,930-6,171                             | -                   | -                    |
| Housing Finance Assoc                     | 8.0                 | -                     | -                    | 4,488-5,618                             | -                   | -                    |
| Office Techn-Typing                       | 1.0                 | -                     | -                    | 2,740-3,429                             | -                   | -                    |
| Portfolio Management Systems:             |                     |                       |                      |   |                     |                      |
| Housing Finance Spec                      | 1.0                 | -                     | -                    | 4,930-6,171                             | -                   | -                    |
| Housing Finance Assoc                     | 1.0                 | -                     | -                    | 4,488-5,618                             | -                   | -                    |
| Servicer Administration:                  |                     |                       |                      |   |                     |                      |
| Housing Finance Spec                      | 3.9                 | -                     | -                    | 4,930-6,171                             | -                   | -                    |
| Housing Finance Assoc                     | 1.0                 | -                     | -                    | 4,488-5,618                             | -                   | -                    |
| Totals, CalHFA Portfolio Management       | 28.1                | -                     | -                    | \$1,836,452                             | \$0                 | \$0                  |
| Lender Services and Leads Unit:           |                     |                       |                      |   |                     |                      |
| Housing Finance Ofcr                      | -                   | 2.0                   | 2.0                  | 6,236-7,765                             | 191,016             | 191,016              |
| Housing Finance Spec                      | -                   | 2.0                   | 2.0                  | 4,930-6,171                             | 147,000             | 147,000              |
| Housing Finance Assoc                     | -                   | 2.0                   | 2.0                  | 4,488-5,618                             | 138,192             | 138,192              |
| Totals, Lender Services and Leads Unit    | -                   | 6.0                   | 6.0                  | \$0                                     | \$476,208           | \$476,208            |
| Secondary Marketing:                      |                     |                       |                      |   |                     |                      |
| Housing Finance Ofcr                      | -                   | 1.0                   | 1.0                  | 6,236-7,765                             | 87,876              | 87,876               |
| Housing Finance Spec                      | -                   | 2.0                   | 2.0                  | 4,930-6,171                             | 151,800             | 151,800              |
| Housing Finance Assoc                     | -                   | -                     | 1.0                  | 4,488-5,618                             | -                   | 69,096               |
| Totals, Secondary Marketing               | -                   | 3.0                   | 4.0                  | \$0                                     | \$239,676           | \$308,772            |
| Specialized Services Section:             |                     |                       |                      |   |                     |                      |
| Housing Finance Chief                     | -                   | 1.0                   | 1.0                  | 7,602-8,633                             | 106,188             | 106,188              |
| Housing Finance Ofcr                      | -                   | 2.0                   | 2.0                  | 6,236-7,765                             | 191,016             | 191,016              |

## 2245 CALIFORNIA HOUSING FINANCE AGENCY

| ORGANIZATIONAL UNIT<br><br>Classification         | NUMBER OF POSITIONS |                       |                      | EXPENDITURES                        |                     |                      |
|---|---------------------|-----------------------|----------------------|-------------------------------------|---------------------|----------------------|
|   | Filled<br>2014-15   | Authorized<br>2015-16 | Projected<br>2015-16 | Actual<br>2014-15<br>(Salary Range) | Approved<br>2015-16 | Projected<br>2015-16 |
| Housing Finance Spec                              | -                   | 2.0                   | 2.0                  | 4,930-6,171                         | 151,800             | 151,800              |
| Housing Finance Trainee                           | -                   | -                     | 1.0                  | 2,873-3,600                         | -                   | 47,904               |
| Totals, Specialized Services Section              | -                   | 5.0                   | 6.0                  | \$0                                 | \$449,004           | \$496,908            |
| Systems Support Unit:                             |                     |                       |                      |                                     |                     |                      |
| Housing Finance Spec                              | -                   | 1.0                   | 1.0                  | 4,930-6,171                         | 75,900              | 75,900               |
| Housing Finance Assoc                             | -                   | 1.0                   | 1.0                  | 4,488-5,618                         | 69,096              | 69,096               |
| Totals, Specialized Services Section              | -                   | 2.0                   | 2.0                  | \$0                                 | \$144,996           | \$144,996            |
| Loan Production and Portfolio Management Section: |                     |                       |                      |                                     |                     |                      |
| Housing Finance Chief                             | -                   | 1.0                   | 1.0                  | 7,602-8,633                         | 106,188             | 106,188              |
| Housing Finance Ofcr                              | -                   | 3.0                   | 3.0                  | 6,236-7,765                         | 256,956             | 256,956              |
| Housing Finance Spec                              | -                   | 14.0                  | 13.0                 | 4,930-6,171                         | 1,062,600           | 986,700              |
| Housing Finance Assoc                             | -                   | 19.0                  | 16.0                 | 4,488-5,618                         | 1,312,824           | 1,105,536            |
| Housing Finance Trainee                           | -                   | 2.0                   | -                    | 2,873-3,600                         | 95,808              | -                    |
| Office Techn-Typing                               | -                   | 1.0                   | 1.0                  | 2,740-3,429                         | 37,164              | 37,164               |
| Office Techn-Gen                                  | -                   | -                     | 1.0                  | 2,691-3,371                         | -                   | 35,306               |
| Totals, Loan Production and Portfolio Management  | -                   | 40.0                  | 35.0                 | \$0                                 | \$2,871,540         | \$2,527,850          |
| Totals, Single Family                             | 54.3                | 57.0                  | 54.0                 | \$3,767,122                         | \$4,305,432         | \$4,081,742          |
| <b>Servicing</b>                                  |                     |                       |                      |                                     |                     |                      |
| Housing Finance Chief                             | 1.0                 | 1.0                   | 1.0                  | 7,602-8,633                         | 106,188             | 106,188              |
| Customer Service:                                 |                     |                       |                      |                                     |                     |                      |
| Housing Finance Spec                              | -                   | 1.0                   | 2.0                  | 4,930-6,171                         | 75,900              | 151,800              |
| Housing Finance Assoc                             | 1.8                 | 1.0                   | 2.0                  | 4,488-5,618                         | 69,096              | 138,192              |
| Office Techn-Typing                               | 3.7                 | 3.0                   | 3.0                  | 2,740-3,429                         | 168,672             | 168,672              |
| Office Techn-Gen                                  | 0.7                 | -                     | -                    | 2,691-3,371                         | -                   | -                    |
| Mgt Services Techn                                | 0.9                 | 3.0                   | 3.0                  | 2,545-3,188                         | 132,840             | 132,840              |
| Collections:                                      |                     |                       |                      |                                     |                     |                      |
| Staff Services Mgr I                              | 0.9                 | 1.0                   | 1.0                  | 5,181-6,437                         | 79,176              | 79,176               |
| Housing Finance Asst                              | -                   | 1.0                   | -                    | 3,731-4,671                         | 50,304              | -                    |
| Housing Finance Trainee                           | 2.0                 | -                     | 1.0                  | 2,873-3,600                         | -                   | 47,904               |
| Default Management:                               |                     |                       |                      |                                     |                     |                      |
| Housing Finance Ofcr                              | 1.0                 | 1.0                   | 1.0                  | 6,236-7,765                         | 95,508              | 95,508               |
| Housing Finance Spec                              | 1.0                 | 1.0                   | 1.0                  | 4,930-6,171                         | 70,488              | 70,488               |
| Housing Finance Assoc                             | 4.0                 | 4.0                   | 5.0                  | 4,488-5,618                         | 271,008             | 345,480              |
| Housing Finance Asst                              | 1.3                 | 1.0                   | 1.0                  | 3,731-4,671                         | 48,192              | 48,192               |
| Office Techn-Typing                               | 1.0                 | 1.0                   | 1.0                  | 2,740-3,429                         | 39,168              | 39,168               |
| Office Asst-Gen                                   | 1.0                 | 1.0                   | 1.0                  | 2,115-2,910                         | 34,236              | 34,236               |
| System Administration:                            |                     |                       |                      |                                     |                     |                      |
| Housing Finance Spec                              | 0.6                 | 1.0                   | 1.0                  | 4,930-6,171                         | 70,488              | 70,488               |
| Housing Finance Assoc                             | 0.4                 | -                     | -                    | 4,488-5,618                         | -                   | -                    |
| Totals, CalHFA Servicing                          | 21.3                | 21.0                  | 24.0                 | \$1,210,291                         | \$1,311,264         | \$1,528,332          |
| <b>Multifamily Programs</b>                       |                     |                       |                      |                                     |                     |                      |
| Director of Multifamily Programs                  | -                   | -                     | 1.0                  | 11,667-17,500                       | -                   | 158,124              |
| Programs Administrator                            | 0.4                 | 1.0                   | -                    | 11,667-15,833                       | 168,000             | -                    |
| Housing Finance Chief                             | 1.0                 | 1.0                   | 1.0                  | 7,602-8,633                         | 106,188             | 106,188              |
| Adm Asst I  | 1.0                 | 1.0                   | 1.0                  | 3,371-4,671                         | 59,664              | 59,664               |
| Loan Underwriting:                                |                     |                       |                      |                                     |                     |                      |
| Housing Finance Ofcr                              | 0.3                 | -                     | -                    | 6,236-7,765                         | -                   | -                    |
| Housing Finance Spec                              | 2.7                 | 3.0                   | 3.0                  | 4,930-6,171                         | 227,700             | 227,700              |
| Loan Officers:                                    |                     |                       |                      |                                     |                     |                      |
| Housing Finance Ofcr                              | 5.1                 | 7.0                   | 7.0                  | 6,236-7,765                         | 668,556             | 668,556              |
| Construction Services:                            |                     |                       |                      |                                     |                     |                      |
| Sr Housing Constrn Insp                           | 1.0                 | 1.0                   | 1.0                  | 8,115-10,155                        | 124,908             | 124,908              |
| Housing Constrn Insp                              | 1.0                 | 1.0                   | 1.0                  | 7,472-9,354                         | 115,056             | 115,056              |
| Sr Design Ofcr                                    | 1.0                 | 0.5                   | 0.5                  | 5,548-6,940                         | 42,684              | 42,684               |
| Loan Administration & Disbursements:              |                     |                       |                      |                                     |                     |                      |
| Staff Services Mgr I                              | 1.0                 | 1.0                   | 1.0                  | 5,181-6,437                         | 81,108              | 81,108               |

## 2245 CALIFORNIA HOUSING FINANCE AGENCY

| ORGANIZATIONAL UNIT<br><br>Classification  | NUMBER OF POSITIONS |                       |                      | EXPENDITURES                            |                     |                      |
|--|---------------------|-----------------------|----------------------|---|---------------------|----------------------|
|  | Filled<br>2014-15   | Authorized<br>2015-16 | Projected<br>2015-16 | Actual<br>2014-15<br><br>(Salary Range) | Approved<br>2015-16 | Projected<br>2015-16 |
| Loan Administration:                       |                     |                       |                      |   |                     |                      |
| Housing Finance Spec                       | 2.0                 | 2.0                   | 2.0                  | 4,930-6,171                             | 151,800             | 151,800              |
| Housing Finance Assoc                      | 1.0                 | 1.0                   | 1.0                  | 4,488-5,618                             | 69,096              | 69,096               |
| Housing Finance Asst                       | 5.0                 | 5.0                   | 5.0                  | 3,731-4,671                             | 287,280             | 287,280              |
| Disbursements:                             |                     |                       |                      |   |                     |                      |
| Housing Finance Spec                       | 1.0                 | 1.0                   | 1.0                  | 4,930-6,171                             | 75,900              | 75,900               |
| Housing Finance Assoc                      | -                   | 1.0                   | -                    | 4,488-5,618                             | 58,584              | -                    |
| Housing Finance Asst                       | 1.0                 | -                     | 1.0                  | 3,731-4,671                             | -                   | 57,456               |
| Totals, CalHFA Multifamily Programs        | 24.5                | 26.5                  | 26.5                 | \$2,084,551                             | \$2,236,524         | \$2,182,836          |
| <b>Asset Management</b>                    |                     |                       |                      |   |                     |                      |
| C.E.A. B                                   | -                   | 1.0                   | 1.0                  | 8,766-10,442                            | 106,488             | 106,488              |
| Asset Management:                          |                     |                       |                      |   |                     |                      |
| Housing Finance Chief                      | 1.0                 | 1.0                   | 1.0                  | 7,602-8,633                             | 106,188             | 106,188              |
| Housing Maint Insp                         | 6.0                 | 6.0                   | 6.0                  | 6,898-8,629                             | 636,840             | 636,840              |
| Housing Finance Ofcr                       | 5.0                 | 5.0                   | 5.0                  | 6,236-7,765                             | 600,504             | 600,504              |
| Housing Finance Spec                       | 6.0                 | 8.0                   | 8.0                  | 4,930-6,171                             | 607,200             | 607,200              |
| Housing Finance Assoc                      | 3.0                 | 3.0                   | 3.0                  | 4,488-5,618                             | 207,288             | 207,288              |
| Housing Finance Asst                       | 1.0                 | 2.0                   | 1.0                  | 3,731-4,671                             | 103,344             | 51,672               |
| Housing Finance Trainee                    | -                   | 1.0                   | 0.6                  | 2,873-3,600                             | 47,904              | 27,944               |
| Office Techn-Typing                        | 1.0                 | -                     | 0.4                  | 2,740-3,429                             | -                   | 17,570               |
| Office Techn-Gen                           | 1.0                 | -                     | 1.0                  | 2,691-3,371                             | -                   | 41,460               |
| Mgt Services Techn                         | 1.0                 | 1.0                   | 1.0                  | 2,545-3,188                             | 44,280              | 44,280               |
| Totals, CalHFA Asset Management            | 25.0                | 28.0                  | 28.0                 | \$2,095,161                             | \$2,460,036         | \$2,447,434          |
| Temporary Help                             | 7.7                 | 10.0                  | 10.0                 | 429,418                                 | 500,000             | 500,000              |
| Overtime                                   | -                   | -                     | -                    | 97,938                                  | 70,000              | 80,000               |
| Totals, Programs                           | 132.8               | 142.5                 | 142.5                | \$9,684,481                             | \$10,883,256        | \$10,820,344         |
| CalHFA Salary Savings                      | -                   | -                     | -                    | \$0                                     | -\$667,974          | -\$2,224,322         |
| <b>TOTALS, CalHFA AUTHORIZED POSITIONS</b> | <b>262.1</b>        | <b>285.8</b>          | <b>285.8</b>         | <b>\$19,292,495</b>                     | <b>\$21,566,662</b> | <b>\$19,840,853</b>  |
| <i>Regular/Ongoing Positions</i>           | 251.6               | 273.0                 | 273.0                | 18,592,164                              | 20,842,662          | 19,124,853           |
| <i>Temporary Help</i>                      | 10.5                | 12.8                  | 12.8                 | 588,301                                 | 626,000             | 626,000              |
| <i>Overtime</i>                            | -                   | -                     | -                    | 112,030                                 | 98,000              | 90,000               |

State of California

## MEMORANDUM

**To:** Board of Directors

**Date:** February 29, 2016



Tim Hsu, Director of Financing

**From:** CALIFORNIA HOUSING FINANCE AGENCY

**Subject:** ANNUAL SINGLE FAMILY BOND FINANCING AUTHORIZATION  
RESOLUTION 16-03

Resolution 16-03 would give the Agency the authority necessary to finance the business plan and manage outstanding single family debt obligations. The resolution comprises three articles providing appropriate levels of authorization for each of the following: issuance of refunding bonds for debt management purposes, issuance of MBS Bonds and provisions applicable to all bonds issued under the resolution.

The following summarize the main authorizations contained in each of the three articles.

### **ARTICLE I - AUTHORIZATION AND TERMS OF REFUNDING BONDS**

Article I authorizes the sale and issuance of refunding bonds to be issued in one or more forms. It prohibits issuing floating rate bonds to refund fixed rate bonds.

Under Article I, the Executive Director shall determine with each issuance of refunding bonds, that the Agency and its General Fund are not expected to bear greater financial risk than prior to the issuance of the refunding bonds. Notwithstanding the immediately preceding sentence, any Debt-Management Supplemental Indenture may provide for the deposit and/or pledge of unpledged moneys or assets of the Agency, provided that the Executive director shall have determined that any such deposit and/or pledge is expected to result in a net economic benefit to the Agency. The pledge may not exceed 10% of the principal amount of the bonds thereby refunded and \$50,000,000 in aggregate.

This resolution also authorizes staff to amend, modify or replace existing financial agreements originally entered into to hedge interest rate risks, to provide liquidity support or to provide credit enhancement. The resolution prohibits an increase in either the aggregate notional amount of interest rate swaps, the absolute amount of

liquidity support or credit enhancement.

## **ARTICLE II – AUTHORIZATION AND TERMS OF MBS BONDS**

Article II authorizes single family bonds to be issued to provide sufficient funds to finance the purchase of new single family mortgage-backed securities in an aggregate amount not to exceed the sum of the amount of private activity bond volume cap made available for the single family program by the California Debt Limit Allocation Committee (CDLAC) and up to \$100 million for federally-taxable single family bonds.

Bonds are authorized to be issued as MBS Bonds. MBS Bonds shall be issued only as fixed rate bonds, and no hedging Instrument shall be entered into with respect to MBS Bonds.

## **ARTICLE III – PROVISIONS APPLICABLE TO ALL BONDS ISSUED UNDER THIS RESOLUTION**

Article III authorizes staff to circulate preliminary official statements and official statements relating to refunding bonds and MBS Bonds as necessary to prospective and actual bond investors. Bonds are authorized to be sold at negotiated or competitive sale as public offerings or as private placements depending on market conditions at the time of sale. The resolution also authorizes all documents and agreements required in connection with our homeownership lending programs.

The resolution also authorizes the Agency to take further action related to prior bonds and related financial agreements that were authorized by prior resolutions of the Board and to amend, modify and replace those financial agreements deemed necessary in furtherance of the objectives of the single family lending program.

The resolution authorizes staff to enter into financial agreements that are related to the issuance of bonds as well as consulting services or information services related to the financial management of the Agency. This resolution also authorizes the payment of costs of issuance associated with the sale of all bonds and authorizes capital contributions from the Agency as necessary to issue such bonds.

The resolution authorizes short-term credit facilities in an aggregate amount not to exceed \$500 million for operating capital and for the Homeownership Programs and Multifamily Programs. Any such credit facility may be secured by any Loans, mortgage-backed securities and/or other assets thereunder and/or the general obligation of the Agency.

Attachments

## RESOLUTION NO. 16-03

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY AUTHORIZING  
THE AGENCY'S SINGLE FAMILY BOND INDENTURES, THE ISSUANCE OF SINGLE  
FAMILY BONDS, CREDIT FACILITIES FOR HOMEOWNERSHIP PURPOSES, AND  
RELATED FINANCIAL AGREEMENTS AND CONTRACTS FOR SERVICES

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for providing financial assistance, directly or indirectly, to persons and families of low or moderate income to enable them to purchase or refinance moderately priced single family residences ("Residences");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of various programs, including whole loan and mortgage-backed securities programs (collectively, the "Program") to make loans to such persons and families, or to developers, for the acquisition, development, construction and/or permanent financing of Residences (the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to issue bonds to provide sufficient funds to finance the Program, including the purchase of mortgage-backed securities ("MBSs") underlain by Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the bonds;

WHEREAS, the Agency, pursuant to the Act, has from time to time issued various series of its Home Mortgage Revenue Bonds (the "HMP Bonds"), its Housing Program Bonds (the "HP Bonds"), and its Residential Mortgage Revenue Bonds (the "RMR Bonds"), and is authorized pursuant to the Act to issue additional HMP Bonds, HP Bonds, and RMR Bonds (collectively with bonds authorized under this resolution to be issued under new indentures, the "Bonds") to provide funds to finance the Program;

WHEREAS, the Bonds may be issued for the primary purpose of purchasing MBSs ("MBS Bonds") or for debt management purposes of the Agency ("Debt-Management Bonds"); and

WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit facilities for the purpose of financing the Program, including the making of Loans and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the bonds;

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

## ARTICLE I

### AUTHORIZATION AND TERMS OF DEBT-MANAGEMENT BONDS

Section 1. **Determination of Need and Amount of Debt-Management Bonds.**

The Agency is of the opinion and hereby determines that the issuance of one or more series of Debt-Management Bonds in an aggregate amount not to exceed the aggregate amount of Bonds and/or other qualified mortgage bonds (including bonds of issuers other than the Agency) to be redeemed in connection with such issuance is necessary to provide sufficient funds for the management of the Agency’s existing debt related to the Program. In no event may proceeds of or allocable to Debt-Management Bonds be used to purchase Loans or MBSs.

Section 2. **Authorization and Timing of Debt-Management Bonds.** The Debt-Management Bonds are hereby authorized to be issued in such aggregate amount at such time or times on or before the day 60 days after the date on which is held the first meeting of the Board on or after March 1, 2017 at which a quorum is present, as the Executive Director of the Agency (the “Executive Director”) deems appropriate, upon consultation with the Treasurer of the State of California (the “Treasurer”) as to the timing of each such issuance; *provided, however,* that if the bonds are sold at a time on or before the day 60 days after the date on which is held such meeting, pursuant to a forward purchase or drawdown agreement providing for the issuance of such Debt-Management Bonds on or before October 1, 2018 upon specified terms and conditions, such Debt-Management Bonds may be issued on such later date.

Section 3. **Approval of Forms of Indentures Related to Debt-Management Bonds and Amendments.** The Executive Director and the Secretary of the Board of Directors of the Agency (the “Secretary”) are hereby authorized and directed, for and on behalf and in the name of the Agency in connection with the issuance of Debt-Management Bonds, to execute and acknowledge and to deliver to the Treasurer as trustee and/or, if appropriate, to a duly qualified bank or trust company selected by the Executive Director to act, with the approval of the Treasurer, as trustee or co-trustee, fiscal agent or paying agent of the Agency (collectively, the “Trustees”), one or more new indentures, trust agreements or similar documents providing for the issuance of Debt-Management Bonds (the “New Debt-Management Indentures”), in one or more forms similar to one or more of the following (collectively, the “Prior Indentures”):

- (a) those certain indentures pertaining to the HMP Bonds (the “HMP Indentures”);
  - (b) that certain indenture pertaining to the HP Bonds (the “HP Indenture”);
- and/or

(c) that certain indenture relating to the RMR Bonds, as amended and supplemented (the “RMR Indenture”), other than Article XIII thereof.

Each such New Debt-Management Indenture may be executed, acknowledged and delivered with such changes therein as the officers executing the same approve upon consultation with the Agency’s legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in any New Debt-Management Indenture may include provision for a supplemental pledge of Agency moneys or assets (including but not limited to, a deposit from the Supplementary Bond Security Account created under Section 51368 of the Act) and provision for the Agency’s general obligation to additionally secure the Debt-Management Bonds if appropriate in furtherance of the objectives of the Program; *provided* that such provisions may be therein included with respect to such Debt-Management Bonds *only* if and to the extent any such provision was made with respect to the bonds thereby refunded, and *provided further* that in each such case the Executive Director shall have determined that the inclusion of such provisions with respect to the Debt-Management Bonds is not expected to result in greater financial risk to the Agency or its General Fund than existed with respect to the bonds thereby refunded. *Notwithstanding* the immediately preceding sentence, any New Debt-Management Indenture may provide for the deposit and/or pledge of unpledged moneys or assets of the Agency (which may include mortgage loans and/or mortgage-backed securities) to additionally secure Debt-Management Bonds if appropriate in furtherance of the objectives of the Program, in an amount not to exceed 10% of the principal amount of the bonds thereby refunded; *provided* that the Executive Director shall have determined that any such deposit and/or pledge is expected to result in a net economic benefit to the Agency; and *provided further* that the aggregate amount of all such deposits and/or pledges authorized pursuant to this sentence and the last sentence of the first paragraph of Section 4 of this resolution shall not exceed \$50,000,000.

The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver to the Trustees one or more amendments to any Prior Indenture or any New Debt-Management Indenture, each with such provisions as the officers executing the same approve upon consultation with the Agency’s legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. **Approval of Forms of Series and Supplemental Indentures Related to Debt-Management Bonds and Amendments.** The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver with respect to each series of Debt-Management Bonds, if and to the extent appropriate, series and/or supplemental indentures (each a “Debt-Management Supplemental Indenture”) under one of the Prior Indentures or a New Debt-Management Indenture and in substantially the form of the respective supplemental indentures previously executed and delivered or approved, each with such changes therein as the officers executing the same approve upon consultation with the Agency’s legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in any Debt-Management Supplemental Indenture may include provision for a supplemental pledge of Agency moneys or assets (including but not limited to, a deposit from the Supplementary Bond Security Account created under Section 51368 of the Act) and provision for the Agency’s general obligation to additionally secure the Bonds if appropriate in furtherance of the objectives

of the Program; *provided* that such provisions may be therein included with respect to such Debt-Management Bonds only if and to the extent any such provision was made with respect to the bonds thereby refunded, and *provided further* that in each such case the Executive Director shall have determined that the inclusion of such provisions with respect to the Debt-Management Bonds is not expected to result in greater financial risk to the Agency or its General Fund than existed with respect to the bonds thereby refunded. *Notwithstanding* the immediately preceding sentence, any Debt-Management Supplemental Indenture may provide for the deposit and/or pledge of unpledged moneys or assets of the Agency (which may include mortgage loans and/or mortgage-backed securities) to additionally secure Debt-Management Bonds if appropriate in furtherance of the objectives of the Program, in an amount not to exceed 10% of the principal amount of the bonds thereby refunded; *provided* that the Executive Director shall have determined that any such deposit and/or pledge is expected to result in a net economic benefit to the Agency; and *provided further* that the aggregate amount of all such deposits and/or pledges authorized pursuant to this sentence and the last sentence of the penultimate paragraph of Section 3 of this resolution shall not exceed \$50,000,000.

The Executive Director is hereby expressly authorized and directed, for and on behalf and in the name of the Agency, to determine in furtherance of the objectives of the Program those matters required to be determined under the applicable Prior Indenture or any New Debt-Management Indenture, as appropriate, in connection with the issuance of each such series, including, without limitation, any reserve account requirement or requirements for such series.

The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver to the Trustees one or more amendments to any series and/or supplemental indentures under any of the Prior Indentures or any New Debt-Management Indenture, each with such provisions as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. **Approval of Forms and Terms of Debt-Management Bonds.**

The Debt-Management Bonds shall be in such denominations, have such registration provisions, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption (including from such sinking fund installments as may be provided for) and contain such terms and conditions as each Debt-Management Supplemental Indenture as finally approved shall provide. The Debt-Management Bonds shall have the maturity or maturities and shall bear interest at the fixed, adjustable or variable rate or rates deemed appropriate by the Executive Director in furtherance of the objectives of the Program; *provided, however*, that no Debt-Management Bond shall have a term in excess of the maturity of the bonds thereby refunded or bear interest at a stated rate in excess of fifteen percent (15%) per annum, or in the case of variable rate bonds a maximum floating interest rate of twenty-five percent (25%) per annum. Any of the Debt-Management Bonds and the Debt-Management Supplemental Indenture(s) may contain such provisions as may be necessary to accommodate an option to put such Bonds prior to maturity for purchase by or on behalf of the Agency or a person other than the Agency, to accommodate the requirements of any provider of bond insurance or other credit enhancement or liquidity support or to

accommodate the requirements of purchasers of indexed floaters, *provided* that variable-rate Debt-Management Bonds may not be issued to refund fixed-rate bonds.

Section 6. **Authorization of Financial Agreements Related to Debt-Management Bonds.** Subject to the limitation set forth in the last sentence of this Section, the Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, any and all agreements and documents designed (i) to reduce or hedge the amount or duration of any payment, interest rate, spread or similar risk, (ii) to result in a lower cost of borrowing when used in combination with the issuance or carrying of bonds or investments, or (iii) to enhance the relationship between risk and return with respect to the Program or any portion thereof (each of the foregoing, a “Hedging Instrument”). To the extent authorized by law, including Government Code Section 5922, such agreements or other documents may include (a) interest rate swap agreements; (b) forward payment conversion agreements; (c) futures or other contracts providing for payments based on levels of, or changes in, interest rates or other indices; (d) contracts to exchange cash flows for a series of payments; (e) contracts, including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, interest rate, spread or similar exposure; (f) contracts to obtain guarantees, including guarantees of mortgage-backed securities or their underlying loans; or (g) letters of credit, standby bond purchase agreements, or other similar arrangements; and in each such case may be entered into in anticipation of the issuance of bonds at such times as may be determined by such officers. Such agreements and other documents are authorized to be entered into with parties selected by the Executive Director, after giving due consideration for the creditworthiness of the counterparties, where applicable, or any other criteria in furtherance of the objectives of the Program. *Notwithstanding* anything herein to the contrary, a Hedging Instrument may be entered into only for the purposes of amending, modifying or replacing a then-existing Hedging Instrument and may in no event increase the notional amount outstanding under the Hedging Instrument so amended, modified or replaced.

## ARTICLE II

### AUTHORIZATION AND TERMS OF MBS BONDS

Section 7. **Determination of Need and Amount of MBS Bonds.** The Agency is of the opinion and hereby determines that the issuance of one or more series of MBS Bonds, in an aggregate amount not to exceed the sum of the following amounts, is necessary to provide sufficient funds for the Program:

- (a) the aggregate amount available for the retirement of Bonds and/or other qualified mortgage bonds and deemed replaced for federal tax law purposes with proceeds of such issuance,
- (b) the aggregate amount of private activity bond allocations under federal tax law heretofore or hereafter made available to the Agency for such purpose, and
- (c) if and to the extent interest on one or more of such series of Bonds is determined by the Executive Director to be intended not to be excludable from gross income for federal income tax purposes, \$100,000,000.

Section 8. **Authorization and Timing of MBS Bonds.** The MBS Bonds are hereby authorized to be issued in such aggregate amount at such time or times on or before the day 60 days after the date on which is held the first meeting of the Board on or after March 1, 2017 at which a quorum is present, as the Executive Director of the Agency (the “Executive Director”) deems appropriate, upon consultation with the Treasurer of the State of California (the “Treasurer”) as to the timing of each such issuance; *provided, however*, that if the bonds are sold at a time on or before the day 60 days after the date on which is held such meeting, pursuant to a forward purchase or drawdown agreement providing for the issuance of such Bonds on or before October 1, 2018 upon specified terms and conditions, such Bonds may be issued on such later date.

Section 9. **Approval of Forms of Indentures Related to MBS Bonds and Amendments.** The Executive Director and the Secretary of the Board of Directors of the Agency (the “Secretary”) are hereby authorized and directed, for and on behalf and in the name of the Agency in connection with the issuance of MBS Bonds, to execute and acknowledge and to deliver to the Trustees one or more new indentures, trust agreements or similar documents providing for the issuance of MBS Bonds (the “New MBS Indentures”), in one or more forms similar to Articles I through XII of the RMR Indenture.

Each such New MBS Indenture may be executed, acknowledged and delivered with such changes therein as the officers executing the same approve upon consultation with the Agency’s legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in any New MBS Indenture may include provision for a supplemental pledge of Agency moneys or assets (including but not limited to a deposit from the Supplementary Bond Security Account created under Section 51368 of the Act) to additionally secure the MBS Bonds if appropriate in furtherance of the objectives of the Program.

The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver to the Trustees one or more amendments to Articles I through XII of the RMR Indenture or to any New MBS Indenture, each with such provisions as the officers executing the same approve upon consultation with the Agency’s legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. **Fixed-Rate Bonds Only; No Hedging Instruments.** MBS Bonds shall be issued only as fixed-rate bonds, and no Hedging Instrument shall be entered into with respect to MBS Bonds.

Section 11. **Approval of Forms of Series and Supplemental Indentures Related to MBS Bonds and Amendments.** The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver with respect to each series of MBS Bonds, if and to the extent appropriate, series and/or supplemental indentures (each an “MBS Supplemental Indenture”; together with the Debt-Management Supplemental Indenture, the “Supplemental Indenture”) under either Articles I through XII of the RMR Indenture or a new MBS Indenture and in substantially the form of the respective supplemental indentures previously executed and delivered or approved, each with such changes therein as the officers executing the same approve

upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in any MBS Supplemental Indenture may include provision for a supplemental pledge of Agency moneys or assets (including but not limited to, a deposit from the Supplementary Bond Security Account created under Section 51368 of the Act) to additionally secure the Bonds if appropriate in furtherance of the objectives of the Program.

The Executive Director is hereby expressly authorized and directed, for and on behalf and in the name of the Agency, to determine in furtherance of the objectives of the Program those matters required to be determined under Articles I through XII of the RMR Indenture or any New MBS Indenture, as appropriate, in connection with the issuance of each such series, including, without limitation, any reserve account requirement or requirements for such series.

The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver to the Trustees one or more amendments to any series and/or supplemental indentures under either Articles I through XII of the RMR Indenture or any new MBS Indenture, each with such provisions as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 12. **Approval of Forms and Terms of MBS Bonds.** The MBS Bonds shall be in such denominations, have such registration provisions, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption (including from such sinking fund installments as may be provided for) and contain such terms and conditions as each MBS Supplemental Indenture as finally approved shall provide. The MBS Bonds shall have the maturity or maturities and shall bear interest at the fixed rate or rates deemed appropriate by the Executive Director in furtherance of the objectives of the Program; *provided, however*, that no MBS Bond shall have a term in excess of thirty-five (35) years or bear interest at a stated rate in excess of fifteen percent (15%) per annum.

### ARTICLE III

#### PROVISIONS APPLICABLE TO ALL BONDS OF THE AGENCY

Section 13. **Authorization of Disclosure.** The Executive Director is hereby authorized to circulate one or more Preliminary Official Statements relating to the Bonds and, after the sale of the Bonds, to execute and circulate one or more Official Statements relating to the Bonds, and the circulation of such Preliminary Official Statements and such Official Statements to prospective and actual purchasers of the Bonds is hereby approved. The Executive Director is further authorized to hold information meetings concerning the Bonds and to distribute other information and material relating to the Bonds. Circulation of Preliminary Official Statements and Official Statements and distribution of information and material as provided above in this Section may be accomplished through electronic means or by any other means approved therefor by the Executive Director, such approval to be conclusively evidenced by such circulation or distribution.

Section 14. **Authorization of Sale of Bonds.** The Bonds are hereby authorized to be sold at negotiated or competitive sale or sales, including but not limited to private placements and public offerings. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver one or more purchase contracts (including one or more forward purchase agreements) relating to the Bonds, by and among the Agency, the Treasurer and such underwriters or other purchasers as the Executive Director may select (the “Purchasers”), in the form or forms approved by the Executive Director upon consultation with the Agency’s legal counsel, such approval to be evidenced conclusively by the execution and delivery of said purchase contract by the Executive Director.

The Treasurer is hereby authorized and requested, without further action of the Board and unless instructed otherwise by the Board, to sell each series of Bonds at the time and place and pursuant to the terms and conditions set forth in each such purchase contract as finally executed. The Treasurer is hereby further authorized and requested to deposit the proceeds of any good faith deposit to be received by the Treasurer under the terms of a purchase contract in a special trust account for the benefit of the Agency, and the amount of said deposit shall be retained by the Agency, applied at the time of delivery of the applicable Bonds as part of the purchase price thereof, or returned to the Purchasers, as provided in such purchase contract.

Section 15. **Authorization of Execution of Bonds.** The Executive Director is hereby authorized and directed to execute, and the Secretary is hereby authorized to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate amount not to exceed the amount authorized hereby, in accordance with the Prior Indenture(s), the Supplemental Indenture(s), the New Debt-Management Indenture(s) or the New MBS Indenture(s) and in one or more of the forms set forth in the Prior Indenture(s), the Supplemental Indenture(s), the New Debt-Management Indenture(s) or the New MBS Indenture(s), as appropriate.

Section 16. **Authorization of Delivery of Bonds.** The Bonds, when so executed, shall be delivered to the Trustees to be authenticated by, or caused to be authenticated by, the Trustees. The Trustees are hereby requested and directed to authenticate, or cause to be authenticated, the Bonds by executing the certificate of authentication and registration appearing thereon, and to deliver the Bonds when duly executed and authenticated to the Purchasers in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver. Such instructions shall provide for the delivery of the Bonds to the Purchasers upon payment of the purchase price or prices thereof.

Section 17. **Authorization of Program Documents.** The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, all documents they deem necessary or appropriate in connection with the Program, including, but not limited to, one or more mortgage purchase and servicing agreements (including mortgage-backed security pooling agreements) and one or more loan servicing agreements with such lender or lenders or such servicer or servicers as the Executive Director may select in accordance with the purposes of the Program, and any such selection of a lender or lenders or a servicer or servicers is to be deemed approved by this Board as if it had

been made by this Board. The proceeds of MBS Bonds to be issued under the authority of this Resolution shall be used to purchase MBSs guaranteed by Fannie Mae, Freddie Mac, Ginnie Mae, or other appropriate guarantor and shall not be used to purchase whole loans. The MBSs to be purchased may be underlain by loans that have terms of 30 years or less.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more mortgage sale agreements with such purchasers as the Executive Director may select in accordance with the objectives of the Program, including but not limited to such agreements with Fannie Mae, Freddie Mac or other government-sponsored enterprise or similar entity for such sales in bulk or otherwise. Any such sale of Loans may be on either a current or a forward purchase basis.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the Executive Director may select in accordance with the objectives of the Program.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale of foreclosed properties with such purchasers as the Executive Director may select in accordance with the objectives of the Program. Any such sale of foreclosed properties may be on either an all cash basis or may include financing by the Agency. The Executive Director and the other officers of the Agency are also authorized to enter into any other agreements, including but not limited to real estate brokerage agreements and construction contracts necessary or convenient for the rehabilitation, listing and sale of such foreclosed properties.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, (i) contracts or agreements for the purchase or sale of mortgage-backed securities; (ii) servicing agreements, including master servicing agreements, in connection with the operation of a program of mortgage-backed securities; (iii) agreements with government-sponsored enterprises, or other secondary market issuers or guarantors of mortgage-backed securities; and (iv) such other program documents as are necessary or appropriate for the operation of a program of mortgage-backed securities; any of the foregoing may, as applicable, be secured by any Loans, mortgage-backed securities and/or other assets thereunder and/or the general obligation of the Agency.

Section 18. **Authorization of Credit Facilities.** The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more short-term or long-term credit facilities, including but not limited to repurchase agreements, for the purposes of (i) financing the purchase of Loans and/or mortgage-backed securities on an interim basis, prior to the sale thereof to third parties and/or the financing thereof with Bonds, whether issued or to be issued; (ii) financing expenditures of the Agency incident to, and necessary or convenient to, the issuance of Bonds, including, but not limited to, Agency expenditures to pay costs of issuance, capitalized interest, redemption price of prior bonds of the Agency, costs relating to credit enhancement or liquidity support, costs relating to investment products, or net payments and expenses relating to interest rate hedges and other financial products; and (iii) enabling the Agency to restructure existing debt and related

purposes, including, but not limited to, the redemption of existing bonds and the acquisition of bonds that have been put to liquidity providers as bank bonds. Any such credit facility may be secured by any Loans, mortgage-backed securities and/or other assets thereunder and/or the general obligation of the Agency. Any such credit facility may be from any appropriate source, including, but not limited to, the Pooled Money Investment Account pursuant to Government Code Section 16312; *provided, however*, that the aggregate outstanding principal amount of credit facilities authorized under this resolution or Resolution No. 16-05 (the multifamily financing resolution adopted at the same meeting), as amended from time to time, may not at any time exceed \$500,000,000 (separate and apart from the amount of Bonds authorized by Sections 1 and 7 of this resolution).

The Executive Director and the other officers of the Agency are hereby authorized to use available Agency moneys (other than and in addition to the proceeds of bonds) (i) to make or purchase Loans and/or mortgage-backed securities to be financed by bonds (including bonds authorized by prior resolutions of this Board) in anticipation of draws on a credit facility, the issuance of Bonds or the availability of Bond proceeds for such purposes and (ii) to purchase Agency bonds to enable the Agency to restructure its debt and for related purposes as authorized under Resolution No. 08-42 and any future Board resolutions thereto amendatory or supplemental.

Section 19. **Ratification of Prior Actions; Not a Repeal of Prior Resolutions.** All actions previously taken by the Agency relating to the implementation of the Program, the issuance of the Bonds, the issuance of any prior bonds (the “Prior Bonds”), the execution and delivery of related financial agreements and related program agreements and the implementation of any credit facilities as described above, including, but not limited to, such actions as the distribution of the Agency’s Lender Program Manual, Mortgage Purchase and Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer’s Guide, Program Bulletins and applications to originate and service loans, and the sale of any foreclosed property, are hereby ratified.

This resolution is not intended to repeal in whole or in part any prior resolution of the Agency with respect to the authority granted to the Executive Director and the other officers of the Agency in relation to Prior Bonds and related agreements, including but not limited to (i) the authority to determine in furtherance of the objectives of the Program those matters required to be determined in relation to Prior Bonds, whether under indentures or other related agreements, and (ii) the authority to amend, modify or replace financial agreements of the types described in Section 6 of this resolution.

Section 20. **Authorization of Related Actions and Agreements.** The Treasurer and any duly authorized deputy thereof and the Executive Director and the officers of the Agency and any other persons authorized in writing by the Executive Director are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all agreements and documents which they deem necessary or advisable in order to consummate the issuance, sale, delivery, remarketing, conversion and administration of Bonds and Prior Bonds and otherwise to effectuate the purposes of this resolution, including declaring the official intent of the Agency for purposes of U.S. Treasury Regulations Section 1.150-2, and including executing and delivering any amendment or supplement to any agreement or document

relating to Bonds or Prior Bonds in any manner that would be authorized under this resolution if such agreement or document related to Bonds is authorized by this resolution. Such agreements may include, but are not limited to, remarketing agreements, tender agreements or similar agreements regarding any put option for the Bonds or Prior Bonds, broker-dealer agreements, market agent agreements, auction agent agreements or other agreements necessary or desirable in connection with the issuance of Bonds in, or the conversion of Bonds or Prior Bonds to, an indexed rate mode, agreements for the investment of moneys relating to the Bonds or Prior Bonds, reimbursement agreements, letters of credit, intercreditor agreements or other arrangements relating to any credit enhancement or liquidity support or put option provided for the Bonds or Prior Bonds, continuing disclosure agreements and agreements for necessary services provided in the course of the issuance of the bonds, including but not limited to, agreements with bond underwriters and placement agents, private placement purchasers, bond trustees, bond counsel and financial advisors and contracts for consulting services or information services relating to the financial management of the Agency, including advisors or consultants on interest rate swaps, cash flow management, and similar matters, and contracts for financial printing and similar services.

This resolution shall constitute full, separate, complete and additional authority for the execution and delivery of all agreements and instruments described in this resolution, without regard to any limitation in the Agency's regulations and without regard to any other resolution of the Board that does not expressly amend and limit this resolution.

The Executive Director and the officers of the Agency and any other persons authorized in writing by the Executive Director are hereby authorized and directed, jointly and severally, in connection with the issuance of bonds authorized under this resolution, to use funds of the Agency to purchase MBSs, make a capital contribution with respect to such bonds, establish reserves to secure such bonds, and pay other costs of the Agency incident to, and necessary or convenient to, the issuance of such bonds.

Section 21. **Additional Delegation.** All actions by the Executive Director approved or authorized by this resolution may be taken by the Chief Deputy Director of the Agency, the Director of Financing of the Agency, the Financing Risk Manager of the Agency or any other person specifically authorized in writing by the Executive Director, and except to the extent otherwise taken by another person shall be taken by the Chief Deputy Director during any period in which the office of the Executive Director is vacant.

## SECRETARY'S CERTIFICATE

I, Victor James, Secretary of the Board of Directors of the California Housing Finance Agency, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 16-03 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 James  
Secretary of the Board of Directors of the  
California Housing Finance Agency

## SECRETARY'S CERTIFICATE

I, Victor James, 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. 16-03 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:

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

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]

---

Secretary of the Board of Directors of the  
California Housing Finance Agency

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

## MEMORANDUM

**To:** Board of Directors

**Date:** February 29, 2016



Tim Hsu, Director of Financing

**From:** CALIFORNIA HOUSING FINANCE AGENCY

**Subject:** ANNUAL SINGLE FAMILY NON-BOND FINANCING AUTHORIZATION  
RESOLUTION 16-04

Resolution 16-04 would give the Executive Director the authority necessary to finance various single-family programs with non-bond financing mechanisms. The following summarize the main authorizations contained in each of the three articles.

### **ARTICLE I – AUTHORIZATION OF MBS SECURITIZATION STRATEGIES AND LOAN PRODUCTS**

Article I authorizes the utilization of the MBS securitization model as the Agency's non-bond single-family lending platform.

### **ARTICLE II – FUNDING AUTHORIZATION FOR ALL WHOLE LOAN PRODUCTS**

Article II authorizes up to \$20,000,000 to purchase whole loans using Agency funds.

### **ARTICLE III – PROVISIONS APPLICABLE TO ALL SINGLE FAMILY LOAN PRODUCT ACTIVITIES**

Article III authorizes the Executive Director to enter into all documents necessary in connection with all non-bond financed single-family loan product activities.

Article III authorizes the Executive Director: i) to acquire a short-term or long-term credit facility, which can be secured by the general obligation of the Agency; ii) to provide a short-term or long-term credit facility to the master servicer(s).

Attachments

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

**RESOLUTION NO. 16-04**

**RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY  
AUTHORIZING THE AGENCY’S SINGLE FAMILY NON-BOND FINANCING  
MECHANISMS FOR HOMEOWNERSHIP PURPOSES, AND RELATED FINANCIAL  
AGREEMENTS AND CONTRACTS FOR SERVICES**

WHEREAS, the California Housing Finance Agency (the “*Agency*”) has determined that there exists a need in California for providing financial assistance, directly or indirectly, to persons and families of low and moderate income to enable them to purchase or refinance moderately priced single family homes;

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of various programs, including whole loans and mortgage-backed securities programs (collectively, the “*Program*”) to make or finance loans to such persons and families, to local public entities or to developers, for the acquisition, development, construction and/or permanent financing of homes (the “*Loans*”);

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the “*Act*”), the Agency may invest in, purchase, or make commitments to purchase, and take assignments from qualified mortgage lenders of mortgage loans, and purchase mortgage-backed securities (“*MBSs*”) underlain by Loans;

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

**ARTICLE I**

**AUTHORIZATION OF MBS SECURITIZATION STRATEGIES  
AND LOAN PRODUCTS**

Section 1. The Agency’s single family lending division is hereby authorized to utilize the MBS securitization model as the Agency’s non-bond single family lending platform. This model requires the Agency to engage a master servicer(s). A subset of MBS securitization, the TBA model, is an example of non-bond lending, the use of which was previously authorized by the Board in Resolution 13-09. The Agency’s underwriting requirements will conform to Fannie Mae, Freddie Mac, or Ginnie Mae (“*GSE*”), Federal Housing Administration (“*FHA*”) products and programs, and occasionally be combined with additional Agency overlays, such as those previously approved by the Board in Resolutions 13-18 and 14-08, which modified eligibility criteria and parameters for Conventional and FHA loan products, to determine loan product requirements. The Agency shall offer a variety of first loan options, consistent with GSE and FHA guidelines. Agency staff shall periodically update the Board on program and product modifications.

## ARTICLE II

### FUNDING AUTHORIZATION FOR ALL WHOLE LOAN PRODUCTS

Section 2. Funding of First Lien Whole Loans. The Agency may purchase up to Twenty Million and no/100s Dollars (\$20,000,000.00) of first lien whole loans using Agency funds.

Section 3. Funding of Subordinate Loans. Presently the Agency is not purchasing subordinate loans using Agency funds, and is not requesting authority to do so. The Agency is utilizing funds that the Agency controls or administers for the purchase of subordinate loans. Current examples of down-payment assistance loans include the “Zip” and “MyHome” subordinate products financed through the TBA model.

## ARTICLE III

### PROVISIONS APPLICABLE TO ALL SINGLE FAMILY LOAN PRODUCT ACTIVITIES

Section 4. Authorization of Program Documents. The Executive Director and other employees authorized by Section 8 (“*Authorized Employees*”) are hereby authorized to enter into, for and in the name and on behalf of the Agency, all documents they deem necessary or appropriate in connection with the Program, including, but not limited to, one or more mortgage purchase and servicing agreements (including mortgage-backed security pooling agreements) and one or more loan servicing agreements with such lender or lenders or such servicer or servicers, as the Executive Director may select in accordance with the purposes of the Program, and any such selection of a lender or lenders or a servicer or servicers is to be deemed approved by this Board as if it had been made by this Board. The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more mortgage sale agreements with such purchasers as the Executive Director may select in accordance with the objectives of the Program, including but not limited to such agreements with GSEs or similar entity for such sales in bulk or otherwise. Any such sale of Loans may be on either a current or a forward purchase basis. The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, agreements required for CalHFA to participate in the GSE’s loan programs. The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into agreements to employ a financial advisor and/or acquire pipeline management software to assist in managing the loan pipeline.

The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, inter-Agency agreements, monitoring agreements, memoranda of understanding, and similar such agreements for the facilitation of cooperative partnerships with other public entities.

The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the Executive Director may select in accordance with the objectives of the Program.

The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale of foreclosed properties with such purchasers as the Executive Director may select in accordance with the objectives of the Program. Any such sale of foreclosed properties may be on either an all cash basis or may include financing by the Agency. The Executive Director and Authorized Employees of the Agency are also authorized to enter into any other agreements, including but not limited to real estate brokerage agreements and construction contracts necessary or convenient for the rehabilitation, listing and sale of such foreclosed properties.

The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency: (i) contracts or agreements for the purchase or sale of mortgage-backed securities; (ii) servicing agreements, including master servicing agreements, in connection with the operation of a program of mortgage-backed securities; (iii) agreements with GSEs, or other secondary market issuers or guarantors of mortgage-backed securities; (iv) master trade confirmation or similar agreements with a hedge facilitator; (v) contracts and agreements with broker-dealers to hedge the Agency's loan commitments and all related documents required to carry out the activities described in the Agency's Master Hedge Policy; and (vi) such other program documents as are necessary or appropriate for the operation of a program of mortgage-backed securities.

#### Section 5. Authorization of Credit Facilities.

(a) Acquiring Credit Facilities. The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more short-term or long-term credit facilities, including but not limited to repurchase agreements, for the purposes of financing the purchase of Loans and/or mortgage-backed securities on an interim basis. The Agency may pledge its General Obligation as a credit support for said Credit Facilities.

(b) Providing Credit Facilities to master servicers. The Agency may utilize Agency funds or Credit Facilities from another entity to provide a warehouse line of credit to the master servicer(s).

Section 6. Ratification of Prior Actions; Not a Repeal of Prior Resolutions. All actions previously taken by the Agency relating to the implementation of the Program, the execution and delivery of related financial agreements and related program agreements and the implementation of any credit facilities as described above, including, but not limited to, such actions as the distribution of the Agency's Lender Program Manual, Mortgage Purchase and Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer's Guide, Program Bulletins and applications to originate and service loans, and the sale of any foreclosed property, are hereby ratified.

This resolution is not intended to repeal in whole or in part any prior resolution of the Agency with respect to the authority granted to the Executive Director and Authorized Employees of the Agency in relation to related agreements, including but not limited to the authority to determine in furtherance of the objectives of the Program those matters required to be determined.

Section 7. Authorization of Related Actions and Agreements. The Executive Director and Authorized Employees of the Agency and any other persons authorized in writing by the Executive Director are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all agreements and documents which they deem necessary or advisable in order to consummate the purchase and sale of residential home loans and mortgage-backed securities. This resolution shall constitute full, separate, complete and additional authority for the execution and delivery of all agreements and instruments described in this resolution, without regard to any limitation in the Agency's regulations and without regard to any other resolution of the Board that does not expressly amend and limit this resolution.

Section 8. Additional Delegation. All actions by the Executive Director approved or authorized by this resolution may be taken by the Chief Deputy Director of the Agency, the Director of Financing of the Agency, the Financing Risk Manager of the Agency or any other person specifically authorized in writing by the Executive Director, and except to the extent otherwise taken by another person shall be taken by the Chief Deputy Director during any period in which the office of the Executive Director is vacant.

Section 9. Duration of Authority. The authority granted under this resolution shall remain in full force and effect until the day 60 days after the first date after March 1, 2017 on which is held a meeting of the Board of Directors of the Agency at which a quorum is present.

## SECRETARY'S CERTIFICATE

I, Victor J. James, II, Secretary of the Board of Directors of the California Housing Finance Agency, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 16-04 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, II  
Secretary of the Board of Directors of the  
California Housing Finance Agency

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

## MEMORANDUM

**To:** Board of Directors

**Date:** February 29, 2016



Tim Hsu, Director of Financing

**From:** CALIFORNIA HOUSING FINANCE AGENCY

**Subject:** ANNUAL MULTIFAMILY BOND FINANCING AUTHORIZATION  
RESOLUTION 16-05

Resolution 16-05 would give the Agency the authority necessary to finance the business plan and manage outstanding single family debt obligations. The resolution comprises three articles providing appropriate levels of authorization for each of the following: issuance of refunding bonds and conduit bonds for debt management purposes, issuance of new money bonds and conduit bonds for new lending under the multifamily program, and provisions applicable to all bonds issued under the resolution.

The following summarize the main authorizations contained in each of the three articles.

### **ARTICLE I - AUTHORIZATION AND TERMS OF REFUNDING BONDS**

Article I authorizes the sale and issuance of refunding bonds and conduit bonds in an amount equal to the amount of bonds being redeemed or maturing in connection with such issuance. This authority provides staff with tools to manage multifamily bonds previously issued and outstanding. This authorization specifically prohibits issuing floating rate bonds to refund fixed rate bonds except for conduit bonds.

The resolution prohibits an increase in either the aggregate notional amount of interest rate swaps, the absolute amount of liquidity support (in the form of standby bond purchase agreements) or credit enhancement (from bond insurance, TCLP and letters of credit).

### **ARTICLE II – AUTHORIZATION AND TERMS OF NEW MONEY BONDS**

Article II authorizes multifamily bonds to be issued in the aggregate amount not to exceed the sum of the amount of private activity bond volume cap made available for

the multifamily program by the California Debt Limit Allocation Committee (CDLAC). Article II also authorizes up to \$150 million for the combined amount of 501(c)(3) bonds, "governmental purpose" bonds, and federally-taxable multifamily bonds.

**ARTICLE III – PROVISIONS APPLICABLE TO ALL BONDS ISSUED UNDER THIS RESOLUTION**

Article III authorizes staff to circulate official statements relating to refunding bonds, conduit bonds and/or new money bonds as necessary to prospective and actual bond investors. Bonds are authorized to be sold at negotiated or competitive sale as public offerings or as private placements depending on market conditions at the time of sale. The resolution also authorizes the Agency to enter into documents and agreements in connection with the Agency's multifamily lending programs. The resolution further authorizes the Agency to conduct foreclosures of mortgages owned or serviced by the Agency and to enter into contracts for the sale of foreclosed properties.

The resolution authorizes short-term credit facilities in an aggregate amount not to exceed \$500 million for operating capital, Homeownership Programs and Multifamily Programs. Any such credit facility may be secured by any Loans, mortgage-backed securities and/or other assets thereunder and/or the general obligation of the Agency.

Attachments

## RESOLUTION NO. 16-05

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY AUTHORIZING  
 THE FINANCING OF THE AGENCY'S MULTIFAMILY HOUSING PROGRAM, THE  
 ISSUANCE OF MULTIFAMILY BONDS, THE AGENCY'S MULTIFAMILY BOND  
 INDENTURES, CREDIT FACILITIES FOR MULTIFAMILY PURPOSES, AND RELATED  
 FINANCIAL AGREEMENTS  
 AND CONTRACTS FOR SERVICES

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for the financing of mortgage loans for the acquisition, construction, rehabilitation, refinancing or development of multi-unit rental housing developments for the purpose of providing housing for persons and families of low or moderate income (the "Developments");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of an ongoing program (the "Program") to make or acquire, or to make loans to lenders to make or acquire, mortgage loans, or to act as a conduit bond issuer, for the purpose of financing such Developments (the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to issue bonds to provide sufficient funds to finance the Program, including the making of Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the bonds; and

WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit facilities and certain other agreements for the purpose of financing the Program, including the making of Loans and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the bonds;

NOW, THEREFORE, BE IT RESOLVED, by the California Housing Finance Agency as follows:

ARTICLE I  
 AUTHORIZATION AND TERMS OF REFUNDING BONDS

**Section 1. Determination of Need and Amount of Refunding Bonds.** The Agency is of the opinion and hereby determines that the offer, sale and issuance of one or more series of multifamily housing revenue bonds ("Refunding Bonds") in an aggregate amount not to exceed the aggregate amount of prior multifamily bonds of the Agency to be redeemed or maturing in connection with such issuance (the related "Refunded Bonds") is necessary to provide sufficient funds for the management of the Agency's existing debt related to the Program.

1           Section 2. **Authorization and Timing of Refunding Bonds.** The Refunding  
 2 Bonds described in Section 1 are hereby authorized to be issued for the purpose of financing,  
 3 refinancing or carrying existing Loans. Refunding Bonds may be issued at such time or times on  
 4 or before the day 60 days after the first date after March 1, 2017 on which is held a meeting of  
 5 the Board of Directors of the Agency (the “Board”) at which a quorum is present, as the  
 6 Executive Director of the Agency (the “Executive Director”) deems appropriate, upon  
 7 consultation with the Treasurer of the State of California (the “Treasurer”) as to the timing of  
 8 each such issuance; *provided, however*, that if the Refunding Bonds are sold at a time on or  
 9 before the day 60 days after the date on which is held such meeting, pursuant to a forward  
 10 purchase agreement providing for the issuance of such Refunding Bonds on a later date on or  
 11 before October 1, 2018, upon specified terms and conditions, such Refunding Bonds may be  
 12 issued on such later date.

13           Section 3. **Approval of Refunding Bond Indentures and Certain**  
 14 **Other Financing Documents Related to Refunding Bonds.** (a) Refunding  
 15 Bonds may be issued under and pursuant to any new indenture, including but not  
 16 limited to any stand-alone conduit indenture or comparable document authorized  
 17 pursuant to Section 10 (each a “Refunding Bond New Indenture”), or any one or  
 18 more of the following (collectively, the “Refunding Bond Prior Indentures” and,  
 19 together with the Refunding Bond New Indentures, the “Refunding Bond  
 20 Indentures”):

- 21           (1)     the Affordable Multifamily Housing Revenue Bonds Indenture,  
 22                 dated as of December 1, 2009;
- 23           (2)     the Multifamily Housing Revenue Bond III Indenture, dated as of  
 24                 March 1, 1997; or
- 25           (3)     Article XIII of the Residential Mortgage Revenue Bonds  
 26                 Indenture, dated as of December 1, 2009, or any successor  
 27                 provision;

28           (b) The Executive Director and the Secretary of the Board (the  
 29 “Secretary”) are hereby authorized and directed, for and on behalf and in the  
 30 name of the Agency, if appropriate, to execute and acknowledge and to deliver  
 31 with respect to each series of Refunding Bonds a Refunding Bond Indentures with  
 32 such changes therein as the officers executing the same approve upon consultation  
 33 with the Agency’s legal counsel, such approval to be conclusively evidenced by  
 34 the execution and delivery thereof.

35           The Executive Director is hereby expressly authorized and  
 36 directed, for and on behalf and in the name of the Agency, to determine in  
 37 furtherance of the objectives of the Program those matters required to be  
 38 determined under the applicable Refunding Bond Indenture in connection with the  
 39 issuance of each such series of Refunding Bonds.

1 (c) For each series of Refunding Bonds, the Executive Director is  
 2 hereby authorized and directed to execute, and the Secretary is hereby authorized  
 3 to attest, for and in the name and on behalf of the Agency and under its seal, if  
 4 and to the extent appropriate, a reimbursement agreement, letter of credit  
 5 agreement, standby bond purchase agreement, or other arrangement with respect  
 6 to credit enhancement or liquidity support, and any intercreditor agreement  
 7 related thereto, in substantially the forms of the reimbursement agreements, letter  
 8 of credit agreements, standby bond purchase agreements, other such arrangements  
 9 and intercreditor agreements contemplated under the Refunding Bond Indentures  
 10 or used in connection with the Refunded Bonds.

11 (d) Any Refunding Bond Indenture, reimbursement agreement,  
 12 letter of credit agreement, standby bond purchase agreement, or other  
 13 arrangement with respect to credit enhancement or liquidity support, and any  
 14 intercreditor agreement related thereto, executed in connection with the issuance  
 15 of Refunding Bonds may include such modifications as the Executive Director  
 16 may deem necessary or desirable in furtherance of the objectives of the Program,  
 17 including, but not limited to, one or more of the following purposes:

18 (1) for the Agency's general obligation to pay any debt secured  
 19 thereby, or

20 (2) for risk sharing provisions dividing between the Agency and any  
 21 credit provider, mortgage lender, commercial bank or other  
 22 financial institution and/or FHA, in such manner as the Executive  
 23 Director may deem necessary or desirable in furtherance of the  
 24 objectives of the Program, the credit and financing risks relating to  
 25 Refunding Bonds and the Developments financed by such  
 26 Refunding Bonds;

27 *provided, however,* that in each such case the Executive Director shall have  
 28 determined that the inclusion of such provisions with respect to the Refunding Bonds is not  
 29 expected to result in greater financial risk to the Agency or its General Fund than existed with  
 30 respect to the related Refunded Bonds.

31 **Section 4. Approval of Forms and Terms of Refunding Bonds.** Refunding  
 32 Bonds shall be in such denominations, have such registration provisions, be executed in such  
 33 manner, be payable in such medium of payment at such place or places within or without  
 34 California, be subject to such terms of redemption (including from such sinking fund  
 35 installments as may be provided for) and contain such terms and conditions as each Refunding  
 36 Bond Indenture as finally approved shall provide. Refunding Bonds shall have the maturity or  
 37 maturities and shall bear interest at the fixed, adjustable or variable rate or rates deemed  
 38 appropriate by the Executive Director in furtherance of the objectives of the Program; *provided,*  
 39 *however,* that no Refunding Bond other than a Conduit Bond (as defined in Section 10, as to  
 40 which the terms of such Section 10 shall apply) shall bear interest at a stated rate in excess of  
 41 fifteen percent (15%) per annum or have a final maturity later than forty-five years from the

1 earlier of the date of issuance of the Refunded Bonds or, if the Refunded Bonds were refunding  
2 bonds, the original bonds in the series of refunding.

3 Refunding Bonds and the related Refunding Bond Indenture(s) may contain such  
4 provisions as may be necessary to accommodate an option to put such Refunding Bonds prior to  
5 maturity for purchase by or on behalf of the Agency or a person other than the Agency, to  
6 accommodate the requirements of any provider of bond insurance or other credit enhancement or  
7 liquidity support or to accommodate the requirements of purchasers of indexed floating-rate  
8 bonds.

9 *No Variable Rate Refunding of Fixed Rate Bonds.* Other than Conduit Bonds, as  
10 to which the terms of Section 10 shall apply, variable rate Refunding Bonds may not be issued to  
11 refund fixed rate bonds.

12 **Section 5. Authorization of Other Financial Agreements Related to**  
13 **Refunding Bonds.** The Executive Director and the other employees of the Agency authorized  
14 pursuant to Section 19 (the “Authorized Employees”) are hereby authorized to enter into, for and  
15 in the name and on behalf of the Agency, any and all agreements and documents designed to  
16 amend, modify or replace existing agreements and documents that related to Refunded Bonds to  
17 (i) reduce or hedge the amount or duration of any payment, interest rate, spread or similar risk  
18 with respect to Refunding Bonds or related investments, (ii) result in a lower cost of borrowing  
19 when used in combination with the issuance or carrying of Refunding Bonds or related  
20 investments, or (iii) enhance the relationship between risk and return with respect to the existing  
21 debt of the Program or any portion thereof; *provided, however,* that the aggregate notional  
22 amount of such agreements related to the Program may not be increased. Such agreements and  
23 other documents are authorized to be entered into with parties selected by the Executive  
24 Director, after giving due consideration for the creditworthiness of the counterparties, when  
25 applicable, or any other criteria in furtherance of the objectives of the management of the debt of  
26 the Program.

## 27 ARTICLE II

### 28 AUTHORIZATION AND TERMS OF NEW MONEY BONDS

29 **Section 6. Determination of Need and Amount of New Money Bonds.** The  
30 Agency is of the opinion and hereby determines that the offer, sale and issuance of one or more  
31 series of multifamily housing revenue bonds (“New Money Bonds”) in an aggregate amount not  
32 to exceed the sum of the following amounts is necessary to provide sufficient funds for new  
33 lending under the Program:

- 34 (a) the aggregate amount of private activity bond allocations under federal tax law  
35 heretofore or hereafter made available to the Agency for such purpose; and
- 36 (b) if and to the extent the Bonds are “qualified 501(c)(3) bonds” under federal tax  
37 law, are not “private activity bonds” under federal tax law, or are determined by  
38 the Executive Director to be intended not to be tax-exempt for federal income tax  
39 purposes, \$150,000,000.

1            **Section 7. Authorization and Timing.** The New Money Bonds described in  
 2 Section 6 are hereby authorized to be issued for the purpose of financing, carrying or  
 3 “warehousing” new Loans for the acquisition, construction, rehabilitation, refinancing or  
 4 development of Developments. New Money Bonds may be issued at such time or times on or  
 5 before the day 60 days after the first date after March 1, 2017 on which is held a meeting of the  
 6 Board at which a quorum is present, as the Executive Director deems appropriate, upon  
 7 consultation with the Treasurer as to the timing of each such issuance; *provided, however*, that if  
 8 the New Money Bonds are sold at a time on or before the day 60 days after the date on which is  
 9 held such meeting, pursuant to a forward purchase agreement providing for the issuance of such  
 10 New Money Bonds on a later date on or before October 1, 2018, upon specified terms and  
 11 conditions, such New Money Bonds may be issued on such later date.

12            **Section 8. Approval of New Money Bond Indentures and Certain Other**  
 13 **Financing Documents.** (a) New Money Bonds may be issued under and pursuant to any new  
 14 indenture, including but not limited to any stand-alone conduit indenture or comparable  
 15 document authorized pursuant to Section 10 (each a “New Money Bond New Indenture”), or any  
 16 one or more of the following (collectively, the “New Money Bond Prior Indentures” and,  
 17 together with the New Money Bond New Indentures, the “New Money Bond Indentures”):

18            (1)        the Affordable Multifamily Housing Revenue Bonds Indenture,  
 19                      dated as of December 1, 2009; or

20            (2)        the Multifamily Housing Revenue Bond III Indenture, dated as of  
 21                      March 1, 1997; or

22            (b) The Executive Director and the Secretary are hereby authorized and directed,  
 23 for and on behalf and in the name of the Agency, if appropriate, to execute and acknowledge and  
 24 to deliver with respect to each series of New Money Bonds a New Money Bond Indenture with  
 25 such changes therein as the officers executing the same approve upon consultation with the  
 26 Agency’s legal counsel, such approval to be conclusively evidenced by the execution and  
 27 delivery thereof.

28            The Executive Director is hereby expressly authorized and directed, for and on  
 29 behalf and in the name of the Agency, to determine in furtherance of the objectives of the  
 30 Program those matters required to be determined under the applicable New Money Bond  
 31 Indenture in connection with the issuance of each such series of New Money Bonds.

32            **Section 9. Approval of Forms and Terms of New Money Bonds.** New Money  
 33 Bonds shall be in such denominations, have such registration provisions, be executed in such  
 34 manner, be payable in such medium of payment at such place or places within or without  
 35 California, be subject to such terms of redemption (including from such sinking fund  
 36 installments as may be provided for) and contain such terms and conditions as each New Money  
 37 Bond Indenture as finally approved shall provide. New Money Bonds shall have the maturity or  
 38 maturities and shall bear interest at fixed or convertible rates deemed appropriate by the  
 39 Executive Director in furtherance of the objectives of the Program.

1 New Money Bonds and the related New Money Bond Indenture(s) may contain  
 2 such provisions as may be necessary to accommodate an option to put such New Money Bonds  
 3 prior to maturity for purchase by or on behalf of the Agency or a person other than the Agency,  
 4 and/or to accommodate the requirements of any provider of bond insurance or other credit  
 5 enhancement.

6 *No Variable Rate Bonds or Hedges; Insurance or Credit Enhancement.* Other  
 7 than a Conduit Bond, as to which the terms of Section 10 shall apply, (a) no New Money Bond  
 8 shall be issued bearing a variable rate of interest or have a term in excess of fifty years or bear  
 9 interest at a stated rate in excess of fifteen percent (15%) per annum; (b) the Agency shall not  
 10 enter into any swaps or other hedging agreements with respect to any New Money Bonds; and  
 11 (c) first lien mortgage loans securing New Money Bonds may carry FHA risk sharing insurance  
 12 or other mortgage insurance or comparable credit enhancement.

13 **Section 10. Conduit Issuances.** The following provisions shall apply to limited  
 14 obligation bonds (as described herein, "Conduit Bonds") issued on behalf of Development  
 15 sponsors for which, by the terms of the documents providing for the issuance of such Conduit  
 16 Bonds, (a) the Agency is not liable for payment of the principal of, premium or interest on such  
 17 Conduit Bonds, except from revenues received from loans made with the proceeds of such  
 18 Conduit Bonds ("Conduit Loans"), (b) the Agency has not contributed or pledged any funds or  
 19 assets to such Conduit Bonds other than revenues derived from or related to such Conduit Loans,  
 20 and (c) there is otherwise no obligation of or material financial risk to the General Fund of the  
 21 Agency under the terms of such Conduit Bonds:

- 22 (1) Conduit Bonds may be issued under and pursuant to any Indenture or comparable  
 23 document meeting the requirements for Conduit Bonds described in the first  
 24 paragraph of this Section 10, including but not limited to the following:
- 25 (a) the form of Fannie Mae stand-alone conduit Indenture approved by  
 26 Resolution No. 09-02;
- 27 (b) the form of Freddie Mac stand-alone conduit Indenture approved  
 28 by Resolution No. 09-02;
- 29 (c) the form of stand-alone conduit Master Pledge and Assignment  
 30 approved by Resolution No. 09-02; and
- 31 (d) the form of FHA/GNMA stand-alone conduit Indenture approved  
 32 by Resolution No. 10-08.
- 33 (2) Conduit Bonds may be issued as drawdown bonds for which the bond purchaser  
 34 purchases Bonds in installments as funds are needed by the Development sponsor.  
 35 For purposes of Sections 2 and 7, the date of the initial draw for any issue of  
 36 drawdown Conduit Bonds shall be considered the issue date of such issue.
- 37 (3) Conduit Bonds may be issued with variable rates of interest and have such  
 38 maturity dates and other terms as set forth in the applicable Conduit Indenture.

1 (4) Conduit Bonds may otherwise have such commercially reasonable terms as may  
 2 be approved by the Executive Director, such approval to be evidenced by the  
 3 execution and delivery of the documents relating to such Conduit Bonds in  
 4 accordance with this Resolution.

5 (5) For each series of Conduit Bonds, the Executive Director is hereby authorized and  
 6 directed to execute, and the Secretary is hereby authorized to attest, for and in the  
 7 name and on behalf of the Agency and under its seal, if and to the extent  
 8 appropriate, any and all necessary documents, including but not limited to  
 9 reimbursement agreements, letter of credit agreements or other arrangements with  
 10 respect to liquidity or credit enhancement, and any intercreditor or subordination  
 11 agreements related thereto.

### 12 ARTICLE III

#### 13 PROVISIONS APPLICABLE TO ALL BONDS ISSUED UNDER THIS RESOLUTION

14 Section 11. Authorization of Disclosure. The Executive Director is hereby  
 15 authorized to circulate one or more preliminary official statements relating to Refunding Bonds  
 16 and/or New Money Bonds (collectively, “Bonds”) and to execute and circulate one or more  
 17 official statements relating to Bonds, and the circulation of such preliminary official statement  
 18 and such official statement to prospective and actual purchasers of Bonds is hereby approved.  
 19 The Executive Director is further authorized to hold information meetings concerning Bonds and  
 20 to distribute other information and material relating to Bonds, including by posting of such  
 21 information on one or more websites maintained by or at the direction of the Agency.

22 Section 12. Authorization of Sale of Bonds. Bonds are hereby authorized to be  
 23 sold at negotiated or competitive sale or sales, including but not limited to private placements  
 24 and public offerings. The Executive Director is hereby authorized and directed, for and in the  
 25 name and on behalf of the Agency, to execute and deliver one or more agreements, by and  
 26 among the Agency, the Treasurer, if applicable, and such purchasers or underwriters as the  
 27 Executive Director may select (the “Purchasers”), relating to the sale of the Bonds, in such form  
 28 as the Executive Director may approve upon consultation with the Agency’s legal counsel, such  
 29 approval to be evidenced conclusively by the execution and delivery of said agreements by the  
 30 Executive Director.

31 The Treasurer is hereby authorized and requested, without further action of this  
 32 Board and unless instructed otherwise by this Board, to sell the Bonds pursuant to the terms and  
 33 conditions set forth in each such agreement as finally executed on behalf of the Agency. The  
 34 Treasurer is hereby further authorized and requested to deposit the proceeds of any good faith  
 35 deposit to be received by the Treasurer under the terms of such agreement in a special trust  
 36 account for the benefit of the Agency, and the amount of such deposit shall be retained by the  
 37 Agency, applied at the time of delivery of the applicable Bonds as part of the purchase price  
 38 thereof, or returned to the Purchasers, as provided in such agreement.

39 Section 13. Authorization of Execution of Bonds. The Executive Director is  
 40 hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to  
 41 attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an

1 aggregate amount not to exceed the amount authorized hereby, in accordance with each  
2 Refunding Bond Indenture or New Money Bond Indenture in one or more of the forms set forth  
3 in such indenture.

4 **Section 14. Authorization of Delivery of Bonds.** The Bonds when so executed  
5 shall be delivered to the trustee or other authenticating agent (“Trustee”) to be authenticated or  
6 caused to be duly and properly authenticated. The Trustee is hereby requested and directed to  
7 authenticate, or cause to be authenticated, the Bonds by the execution of the certificate of  
8 authentication and registration appearing thereon, and to deliver or cause to be delivered the  
9 Bonds when duly executed and authenticated to the Purchasers in accordance with written  
10 instructions executed on behalf of the Agency by the Executive Director, which instructions said  
11 officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to  
12 execute and deliver to the Trustee.

13 **Section 15. Authorization of Program Documents.** The Executive Director  
14 and the other Authorized Employees are hereby authorized and directed to execute all documents  
15 they deem necessary or appropriate in connection with the Program, including, but not limited to,  
16 regulatory agreements, loan agreements, origination and servicing agreements (or other loan-to-  
17 lender documents), servicing agreements, developer agreements, financing agreements,  
18 investment agreements, intercreditor agreements, subordination agreements, agreements to enter  
19 into escrow and forward purchase agreements, escrow and forward purchase agreements,  
20 refunding agreements and continuing disclosure agreements, in each case with such other parties  
21 as the Executive Director may select in furtherance of the objectives of the Program.

22 The Executive Director and the other Authorized Employees are hereby  
23 authorized to enter into, for and in the name and on behalf of the Agency, one or more mortgage  
24 sale agreements with such purchasers as the Executive Director may select in accordance with  
25 the objectives of the Program. Any such sale of Loans may be on either a current or a forward  
26 purchase basis.

27 The Executive Director and the Authorized Employees are hereby authorized to  
28 enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of  
29 mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the  
30 Executive Director may select in accordance with the objectives of the Program.

31 The Executive Director and the other Authorized Employees are hereby  
32 authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale  
33 of foreclosed properties with such purchasers as the Executive Director may select in accordance  
34 with the objectives of the Program. Any such sale of foreclosed properties may be on an all cash  
35 basis or may include financing by the Agency. The Executive Director and the other Authorized  
36 Employees are also authorized to enter into any other agreements, including but not limited to  
37 real estate brokerage agreements and construction contracts, necessary or convenient for the  
38 rehabilitation, listing and sale of such foreclosed properties.

39 **Section 16. Authorization of Credit Facilities.** In addition, the Executive  
40 Director and the other Authorized Employees are hereby authorized to enter into, for and in the  
41 name and on behalf of the Agency, one or more short-term or long-term credit facilities,

1 including but not limited to repurchase agreements, which may be secured as to repayment by a  
 2 general obligation pledge of the Agency, for the purposes of (i) financing the purchase of Loans  
 3 on an interim basis, prior to the financing of such Loans with Bonds, whether issued or to be  
 4 issued; (ii) financing expenditures of the Agency incident to, and necessary or convenient to, the  
 5 issuance of Bonds, including, but not limited to, Agency expenditures to pay costs of issuance,  
 6 capitalized interest, redemption price of prior bonds of the Agency, costs relating to credit  
 7 enhancement or liquidity support, costs relating to investment products, or net payments and  
 8 expenses relating to interest rate hedges and other financial products; and (iii) enabling the  
 9 Agency to restructure existing debt and related purposes, including, but not limited to, the  
 10 redemption of existing bonds and the acquisition of bonds that have been put to liquidity  
 11 providers as bank bonds. Any credit facility entered into pursuant to this Section 16 may be  
 12 from any appropriate source, including, but not limited to, the Pooled Money Investment  
 13 Account pursuant to Government Code Section 16312; *provided, however*, that the aggregate  
 14 outstanding principal amount of credit facilities authorized under this Section 16 or the  
 15 comparable sections of Resolution No. 16-03 (the single family financing resolution adopted at  
 16 the same meeting) may not at any time exceed \$500,000,000 (separate and apart from the  
 17 amount of bonds authorized by Sections 1 and 6 of this resolution and such other resolutions).

18 The Executive Director and the other Authorized Employees are hereby  
 19 authorized to use available Agency moneys (other than and in addition to the proceeds of bonds)  
 20 (i) to make or purchase loans to be financed by bonds (including bonds authorized by prior  
 21 resolutions of this Board) in anticipation of draws on a credit facility, the issuance of Bonds or  
 22 the availability of Bond proceeds for such purposes and (ii) to purchase Agency bonds to enable  
 23 the Agency to restructure its debt and for related purposes as authorized under Resolution No.  
 24 08-42 and any future Board resolutions thereto amendatory or supplemental.

25 The Executive Director and the other Authorized Employees are hereby  
 26 authorized to use available Agency moneys to purchase Agency bonds to enable the Agency to  
 27 restructure its debt and for related purposes. Any Agency bonds so purchased shall remain  
 28 outstanding for all purposes except to the extent that the Executive Director or the other  
 29 Authorized Employees expressly provide for the retirement or redemption, and cancellation, of  
 30 such bonds. Any Agency bonds so purchased may be purchased and resold, in each case on such  
 31 terms as may be determined by the Executive Director and the other Authorized Employees in  
 32 the best interests of the Agency. The Agency may establish any account or accounts as may be  
 33 necessary or desirable in connection with the purchase of such bonds.

34 **Section 17. Ratification of Prior Actions; Not a Repeal of Prior Resolutions.**

35 (a) All actions previously taken by the officers of the Agency in connection with the  
 36 implementation of the Program, the issuance of the Bonds, the issuance of any prior bonds (the  
 37 "Prior Bonds"), the execution and delivery of related financial agreements and related program  
 38 agreements and the implementation of any credit facilities as described above are hereby  
 39 approved and ratified.

40 (b) This resolution is not intended to repeal in whole or in part any prior  
 41 resolution of the Agency with respect to the authority granted to the Executive Director and the  
 42 other Authorized Employees in relation to Prior Bonds and related agreements, including but not  
 43 limited to (i) the authority to determine in furtherance of the objectives of the Program those

1 matters required to be determined in relation to Prior Bonds, whether under indentures or other  
2 related agreements, and (ii) the authority to amend, modify or replace financial agreements of the  
3 types described in Section 5 of this Resolution.

4 **Section 18. Authorization of Related Actions and Agreements.** The Treasurer  
5 and any duly authorized deputy thereof, the Executive Director, any other persons authorized in  
6 writing by the Executive Director and the other Authorized Employees are hereby authorized and  
7 directed, jointly and severally, to do any and all things and to execute and deliver any and all  
8 agreements and documents which they deem necessary or advisable in order to consummate the  
9 issuance, sale, delivery, remarketing, conversion and administration of Bonds and Prior Bonds  
10 and otherwise to effectuate the purposes of this resolution, including declaring the official intent  
11 of the Agency for purposes of U.S. Treasury Regulations Section 1.150-2, and including  
12 executing and delivering any amendment or supplement to any agreement or document relating  
13 to Bonds or Prior Bonds in any manner that would be authorized under this resolution if such  
14 agreement or document related to Bonds authorized by this resolution. Subject in all cases to the  
15 express limitations set forth above in this resolution, such agreements may include, but are not  
16 limited to, remarketing agreements, tender agreements or similar agreements regarding any put  
17 option for Bonds or Prior Bonds, broker-dealer agreements, market agent agreements, auction  
18 agent agreements or other agreements necessary or desirable in connection with the issuance of  
19 Bonds in, or the conversion of Bonds or Prior Bonds to, an auction rate mode or an indexed rate  
20 mode, agreements for the investment of moneys relating to the Bonds or Prior Bonds,  
21 reimbursement agreements, letter of credit agreements, intercreditor agreements or other  
22 arrangements relating to any credit enhancement or liquidity support or put option provided for  
23 the Bonds or the Prior Bonds, continuing disclosure agreements and agreements for necessary  
24 services provided in the course of the issuance of the bonds, including but not limited to,  
25 agreements with bond underwriters, remarketing agents, placement agents, private placement  
26 purchasers, bond trustees, bond counsel and financial advisors and contracts for consulting  
27 services or information services relating to the financial management of the Agency, including  
28 advisors or consultants on interest rate swaps, cash flow management, and similar matters, and  
29 contracts for financial printing and similar services. The Executive Director, any persons  
30 authorized in writing by the Executive Director and the other Authorized Employees are hereby  
31 authorized and directed, jointly and severally, to provide as necessary for payment of costs of  
32 issuance related to Bonds and to provide for the Agency to contribute capital as necessary to  
33 facilitate the issuance of Bonds.

34 This resolution shall constitute full, separate, complete and additional authority  
35 for the execution and delivery of all agreements and instruments described in this resolution,  
36 without regard to any limitation in the Agency's regulations and without regard to any other  
37 resolution of the Board that does not expressly amend and limit this resolution.

38 **Section 19. Additional Delegation.** All actions by the Executive Director  
39 approved or authorized by this resolution may be taken by the Chief Deputy Director of the  
40 Agency, the Director of Financing of the Agency, the Financing Risk Manager of the Agency,  
41 the Director of Multifamily Programs of the Agency or, if the office of Director of Multifamily  
42 Programs of the Agency is vacant, the Housing Finance Chief for Multifamily Programs (but  
43 only with respect to Conduit Bonds issued in accordance with Section 10 hereof), or any other  
44 person specifically authorized in writing by the Executive Director, and except to the extent

- 1 otherwise taken by another person shall be taken by the Chief Deputy Director during any period
- 2 in which the office of the Executive Director is vacant.

## SECRETARY'S CERTIFICATE

1  
2  
3 I, Victor James, the undersigned, do hereby certify that I am the duly  
4 authorized Secretary of the Board of Directors of the California Housing Finance Agency, and  
5 hereby further certify that the foregoing is a full, true, and correct copy of Resolution No.  
6 16-05 duly adopted at a regular meeting of the Board of Directors of the California Housing  
7 Finance Agency duly called and held on the 15th day of March, 2016, of which meeting all  
8 said directors had due notice; and that at said meeting said resolution was adopted by the  
9 following vote:

10  
11 AYES:

12  
13 NOES:

14  
15 ABSTENTIONS:

16  
17 ABSENT:

18  
19 IN WITNESS WHEREOF, I have executed this certificate and affixed the seal  
20 of the Board of Directors of the California Housing Finance Agency hereto this 15th day of  
21 March, 2016.

22  
23  
24  
25  
26 [SEAL]

\_\_\_\_\_  
VICTOR JAMES  
Secretary of the Board of Directors of the  
California Housing Finance Agency

27  
28

## SECRETARY'S CERTIFICATE

1  
2  
3 I, Victor James, the undersigned, do hereby certify that I am the duly  
4 authorized Secretary of the Board of Directors of the California Housing Finance Agency, and  
5 hereby further certify that the foregoing is a full, true, and correct copy of the Resolution  
6 No. 16-05 duly adopted at a regular meeting of the Board of Directors of the California  
7 Housing Finance Agency duly called and held on the 15th day of March, 2016, of which  
8 meeting all said directors had due notice; and that at said meeting said resolution was adopted  
9 by the following vote:

10  
11 AYES:

12  
13 NOES:

14  
15 ABSTENTIONS:

16  
17 ABSENT:

18  
19 I further certify that I have carefully compared the foregoing copy with the  
20 original minutes of said meeting on file and of record in my office; that said copy is a full,  
21 true, and correct copy of the original resolution adopted at said meeting and entered in said  
22 minutes; and that said resolution has not been amended, modified, or rescinded in any manner  
23 since the date of its adoption, and the same is now in full force and effect.

24  
25 IN WITNESS WHEREOF, I have executed this certificate and affixed the seal  
26 of the Board of Directors of the California Housing Finance Agency hereto this 15th day of  
27 March, 2016.

28  
29  
30 [SEAL]

\_\_\_\_\_  
VICTOR JAMES

Secretary of the Board of Directors of the  
California Housing Finance Agency

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

## MEMORANDUM

**To:** Board of Directors

**Date:** February 29, 2016



Tim Hsu, Director of Financing

**From:** CALIFORNIA HOUSING FINANCE AGENCY

**Subject:** ANNUAL MULTIFAMILY NON-BOND FINANCING AUTHORIZATION  
RESOLUTION 16-06

Resolution 16-06 would give the Executive Director the authority necessary to finance various multifamily programs with non-bond financed sources. The following summarize the main authorizations contained in each of the three articles.

### **ARTICLE I – AUTHORIZATION AND TERMS OF BORROWING TO FINANCE THE PROGRAM**

Article I authorizes up to \$250,000,000 of Externally-Sourced Non-Bond Funds for new lending under the Program. The borrowing of Externally-Sourced Non-Bond Funds can be secured by the general obligation of the Agency.

### **ARTICLE II – AUTHORIZATION AND TERMS OF USE OF AGENCY NON-BOND FUNDS TO FINANCE THE PROGRAM**

Article II authorizes up to \$50,000,000 on the use of the Agency's Housing Assistance Trust funds for the purposes of: i) financing, carrying or warehousing, for future committed financing of the Agency by Externally-Sourced Non-Bond Funds; ii) new loans for the acquisition, construction, rehabilitation, refinancing or development of Developments, including providing subordinate or gap financing and to supplement interest rates or costs of the financing of loans by the Agency.

**ARTICLE III – PROVISIONS APPLICABLE TO THE USE OF  
EXTERNALLY-SOURCED NON-BOND FUNDS AND AGENCY NON-BOND  
FUNDS AUTHORIZED UNDER THIS RESOLUTION**

Article III authorizes the Executive Director to execute all documents they deem necessary or appropriate in connection with the Program.

Attachments

## RESOLUTION NO. 16-06

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY  
 AUTHORIZING THE FINANCING OF THE AGENCY'S MULTIFAMILY HOUSING  
 PROGRAM FROM NON-BOND SOURCES AND RELATED FINANCIAL AGREEMENTS  
 AND CONTRACTS FOR SERVICES

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for the financing of mortgage loans for the acquisition, construction, rehabilitation, refinancing or development of multi-unit rental housing developments for the purpose of providing housing for persons and families of low or moderate income (the "Developments");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of an ongoing program (the "Program") to make or acquire, or to make loans to lenders to make or acquire, mortgage loans, for the purpose of financing such Developments (the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to borrow money and utilize its own funds as necessary to provide sufficient funds to finance the Program, including the making of Loans, and the payment of other costs of the Agency incident to, and necessary or convenient to, the borrowing of money or use of the Agency's own funds; and

WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit facilities, certificates of participation, forward interest rate locks, forward purchase agreements, purchase and sale agreements, financing agreements, loan agreements and certain other agreements for the purpose of financing the Program, including the making of Loans and the payment of other costs of the Agency incident to, and necessary or convenient to, the financing of the Program from non-bond sources;

NOW, THEREFORE, BE IT RESOLVED, by the California Housing Finance Agency as follows:

## ARTICLE I

## AUTHORIZATION AND TERMS OF BORROWING TO FINANCE THE PROGRAM

**Section 1. Determination of Need and Amount of Borrowing to Finance Programs.** The Agency is of the opinion and hereby determines that the borrowing of funds from external non-bond sources ("Externally-Sourced Non-Bond Funds"), including but not limited to financing provided by the Federal Government, the selling or securitization of Loans within the Agency's portfolio ("Agency Loans"), the pledge of Agency Loans as collateral to secure financing, assigning or participations in Agency Loans, in an aggregate amount not to exceed the sum of \$250,000,000 is necessary to provide sufficient funds for new lending under the Program.





1           The Executive Director and the other Authorized Employees are hereby  
2 authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale  
3 of foreclosed properties with such purchasers as the Executive Director may select in accordance  
4 with the objectives of the Program. Any such sale of foreclosed properties may be on an all cash  
5 basis or may include financing by the Agency. The Executive Director and the other Authorized  
6 Employees are also authorized to enter into any other agreements, including but not limited to  
7 real estate brokerage agreements and construction contracts, necessary or convenient for the  
8 rehabilitation, listing and sale of such foreclosed properties.

9           Section 9. Ratification of Prior Actions; Not a Repeal of Prior Resolutions.

10           All actions previously taken by the officers of the Agency in connection with the  
11 implementation of the Program, the execution and delivery of related financial agreements and  
12 related program agreements and the implementation of any credit facilities as described above  
13 are hereby approved and ratified.

14           This resolution is not intended to repeal in whole or in part any prior resolution of  
15 the Agency with respect to the authority granted to the Executive Director and the other  
16 Authorized Employees in relation to the use of Non-Bond Funds and related agreements,  
17 including but not limited to (1) the authority to determine in furtherance of the objectives of the  
18 Program those matters required to be determined in relation to Non-Bond Funds, whether under  
19 indentures or other related agreements, and (2) the authority to amend, modify or replace  
20 financial agreements of the types described in Section 3 of this Resolution.

21           Section 10. Authorization of Related Actions and Agreements. The Executive

22 Director, any other persons authorized in writing by the Executive Director and the other  
23 Authorized Employees are hereby authorized and directed, jointly and severally, to do any and  
24 all things and to execute and deliver any and all agreements and documents which they deem  
25 necessary or advisable in order to consummate the borrowing of Externally-Sourced Non-Bond  
26 Funds and otherwise to effectuate the purposes of this resolution including executing and  
27 delivering any amendment or supplement to any agreement or document relating to the  
28 Externally-Sourced Non-Bond Funds in any manner that would be authorized under this  
29 resolution if such agreement or document related to Externally-Sourced Non-Bond Funds  
30 authorized by this resolution. Subject in all cases to the express limitations set forth above in this  
31 resolution, such agreements may include, but are not limited to, reimbursement agreements,  
32 letter of credit agreements, intercreditor agreements or other arrangements relating to any credit  
33 enhancement or liquidity support, continuing disclosure agreements and agreements for  
34 necessary services provided in the course of the borrowing of the Externally-Sourced Non-Bond  
35 Funds, including but not limited to, agreements with counsel and financial advisors and contracts  
36 for consulting services or information services relating to the financial management of the  
37 Agency, including advisors or consultants on interest rate swaps, cash flow management, and  
38 similar matters, and contracts for financial printing and similar services. The Executive Director,  
39 any persons authorized in writing by the Executive Director and the other Authorized Employees  
40 are hereby authorized and directed, jointly and severally, to provide as necessary for payment of  
41 costs of borrowing related to Externally-Sourced Non-Bond Funds and to provide for the Agency  
42 to contribute capital as necessary to facilitate the borrowing of Externally-Sourced Non-Bond  
43 Funds.

1           This resolution shall constitute full, separate, complete and additional authority  
2 for the execution and delivery of all agreements and instruments described in this resolution,  
3 without regard to any limitation in the Agency’s regulations and without regard to any other  
4 resolution of the Board that does not expressly amend and limit this resolution.

5           Section 11. Additional Delegation. All actions by the Executive Director  
6 approved or authorized by this resolution may be taken by the Chief Deputy Director of the  
7 Agency, the Director of Financing of the Agency, the Financing Risk Manager of the Agency,  
8 the Director of Multifamily Programs of the Agency or any other person specifically authorized  
9 in writing by the Executive Director, and except to the extent otherwise taken by another person  
10 shall be taken by the Chief Deputy Director during any period in which the office of the  
11 Executive Director is vacant.

## SECRETARY'S CERTIFICATE

1  
2  
3 I, Victor James, the undersigned, do hereby certify that I am the duly  
4 authorized Secretary of the Board of Directors of the California Housing Finance Agency, and  
5 hereby further certify that the foregoing is a full, true, and correct copy of Resolution No.  
6 16-06 duly adopted at a regular meeting of the Board of Directors of the California Housing  
7 Finance Agency duly called and held on the 15th day of March, 2016, of which meeting all  
8 said directors had due notice; and that at said meeting said resolution was adopted by the  
9 following vote:

10  
11 AYES:

12  
13 NOES:

14  
15 ABSTENTIONS:

16  
17 ABSENT:

18  
19 IN WITNESS WHEREOF, I have executed this certificate and affixed the seal  
20 of the Board of Directors of the California Housing Finance Agency hereto this 15th day of  
21 March, 2016.  
22  
23  
24

25  
26 [SEAL]

\_\_\_\_\_  
VICTOR JAMES  
Secretary of the Board of Directors of the  
California Housing Finance Agency

27  
28

## SECRETARY'S CERTIFICATE

1  
2  
3 I, Victor James, the undersigned, do hereby certify that I am the duly  
4 authorized Secretary of the Board of Directors of the California Housing Finance Agency, and  
5 hereby further certify that the foregoing is a full, true, and correct copy of the Resolution  
6 No. 16-06 duly adopted at a regular meeting of the Board of Directors of the California  
7 Housing Finance Agency duly called and held on the 15th day of March, 2016, of which  
8 meeting all said directors had due notice; and that at said meeting said resolution was adopted  
9 by the following vote:

10  
11 AYES:

12  
13 NOES:

14  
15 ABSTENTIONS:

16  
17 ABSENT:

18  
19 I further certify that I have carefully compared the foregoing copy with the  
20 original minutes of said meeting on file and of record in my office; that said copy is a full,  
21 true, and correct copy of the original resolution adopted at said meeting and entered in said  
22 minutes; and that said resolution has not been amended, modified, or rescinded in any manner  
23 since the date of its adoption, and the same is now in full force and effect.

24  
25 IN WITNESS WHEREOF, I have executed this certificate and affixed the seal  
26 of the Board of Directors of the California Housing Finance Agency hereto this 15th day of  
27 March, 2016.

28  
29  
30 [SEAL]

\_\_\_\_\_  
VICTOR JAMES  
Secretary of the Board of Directors of the  
California Housing Finance Agency

31  
32  
33  
34  
35  
36  
37

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

## MEMORANDUM

**To:** Board of Directors

**Date:** February 29, 2016



Timothy Hsu, Director of Financing

**From:** CALIFORNIA HOUSING FINANCE AGENCY

**Subject:** AUTHORIZATION TO MAKE APPLICATION TO THE CALIFORNIA DEBT  
LIMIT ALLOCATION COMMITTEE  
RESOLUTION 16-07

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. Private activity bonds are federally tax-exempt bonds which are issued to benefit non-governmental borrowers such as first-time homebuyers or owners of affordable rental housing developments.

This resolution would authorize application to CDLAC for a maximum of \$1.0 billion of single family allocation and \$500 million of multifamily allocation. Such authorization would be in effect during the period of time in which Resolutions 16-03 and 16-05, which authorize the issuance of bonds for the Homeownership Program and Multifamily Program, are themselves in effect.

Attachment

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

## RESOLUTION NO. 16-07

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY  
APPROVING APPLICATIONS TO THE CALIFORNIA DEBT LIMIT ALLOCATION  
COMMITTEE FOR PRIVATE ACTIVITY BOND ALLOCATIONS  
FOR THE AGENCY'S HOMEOWNERSHIP AND MULTIFAMILY PROGRAMS

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

WHEREAS, the Agency has determined that it is in the public interest for the Agency to provide such financial assistance by means of ongoing programs (collectively, the "Homeownership Program") to make lower-than-market rate loans, and to issue Mortgage Credit Certificates for the permanent financing of Residences;

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to issue bonds to provide sufficient funds to finance the Homeownership Program, and to issue Mortgage Credit Certificates for the permanent financing of Residences;

WHEREAS, the Agency has by its Resolution No.16-07 authorized the issuance of bonds for the Homeownership Program and desires to authorize application to the California Debt Limit Allocation Committee for private activity bond allocations to be used in connection with the issuance of all or a portion of such bonds in order for interest on such bonds to be excludable from gross income for federal income tax purposes;

WHEREAS, the Agency has also determined that there exists a need in California for the financing of mortgage loans for the acquisition, construction, rehabilitation, refinancing or development of multifamily rental housing developments (the "Developments") for the purpose of providing housing for persons and families of low or moderate income;

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of an ongoing program (the "Multifamily Program") to make or acquire, or to make loans to lenders to make or acquire, mortgage loans, for the purpose of financing such Developments;

WHEREAS, pursuant to the Act, the Agency has the authority to issue bonds to provide sufficient funds to finance the Multifamily Program;

WHEREAS, the Agency has by its Resolution No. 16-07 authorized the issuance of bonds for the Multifamily Program and desires to authorize application to the California Debt Limit Allocation Committee for private activity bond allocations to be used in connection with the issuance of all or a portion of such bonds in order for interest on such bonds to be excludable

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

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

**Section 1. Authorization to Apply to CDLAC for the Homeownership Program.** The officers of the Agency are hereby authorized to apply from time to time to the California Debt Limit Allocation Committee (“CDLAC”) for private activity bond allocations in an aggregate amount of up to \$1,000,000,000 per year to be used in connection with bonds issued under Resolution No. 16-07, or resolutions heretofore or hereafter adopted by the Agency for the Homeownership Program. In the alternative, subject to the approval of CDLAC and under such terms and conditions as may be established by CDLAC, any such allocation received is authorized by this Board to be used in connection with a mortgage credit certificate program.

**Section 2. Authorization to Apply to CDLAC for the Multifamily Program.** The officers of the Agency are hereby authorized to apply from time to time to CDLAC for private activity bond allocations in an aggregate amount of up to \$500,000,000 per year, to be used in connection with bonds issued under Resolution No. 16-07 or other resolutions heretofore or hereafter adopted by the Agency for the Multifamily Program.

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

SECRETARY'S CERTIFICATE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47

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. 16-07 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

SECRETARY’S CERTIFICATE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

I, Victor James, 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. 16-07 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:

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

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]

\_\_\_\_\_  
Secretary of the Board of Directors of the  
California Housing Finance Agency

State of California

## MEMORANDUM

To Board of Directors

Date: February 29, 2016



Timothy Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: Report of Recent Rating Upgrades

On January 20<sup>th</sup>, 2016, Standard & Poor's Rating Service upgraded the Agency's Issuer Credit Rating from A- to A. The outlook is Positive.

On February 11<sup>th</sup>, 2016, Moody's Investor Service upgraded the Agency's Issuer Credit Rating from A3 to A2. The outlook is Stable.

The Agency's Issuer Credit Ratings are often referred to as the Agency's General Obligation ratings. These ratings represent the Agency's overall financial profile and management rather than specific bond indenture ratings. It is difficult to overestimate the importance of the Agency's General Obligation and its ratings. As examples: 1) our General Obligation is the credit counterparty to: i) our swap counterparties for swaps; ii) HUD for our FHA Risk-Share Program; 2) our swap collateral posting requirements depend on the level of our General Obligation ratings.

These back-to-back upgrades on our General Obligation ratings represent the first upgrades since 2008. Standard & Poor's press release on the upgrade states: "The rating is based on a significant recovery in CalHFA's profitability and equity levels, as well as the mitigation of many of the risks that the Agency was plagued with four to six years ago."

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

## MEMORANDUM

To: Board of Directors

Date: February 26, 2016



Timothy Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: REPORT OF BOND SALE  
MULTIFAMILY HOUSING REVENUE BONDS (MAPLEWOOD APARTMENTS –FHA  
RISK-SHARE INSURED MORTGAGE LOAN) 2016 ISSUE A

On February 29, 2016, the Agency issued \$8,600,000 of bonds under a stand-alone Multifamily Housing Revenue Bonds (Maplewood Apartments – FHA Risk-Share Insured Mortgage Loan) 2016 Issue A indenture. The bonds were issued as tax-exempt fixed rate bonds. The 2016 Issue A bonds are limited obligations of the Agency and rated Aaa by Moody’s Investors Service.

The bonds have been issued to provide financing for the costs of the acquisition and rehabilitation of a multifamily project under the Agency’s Preservation program for which all loans are insured under the FHA risk share program. The details of the loan amount are shown in the following table.

| <b>Project Name</b> | <b>Loan Amount</b> | <b>Loan Term<br/>(*)</b> | <b>Interest<br/>Rate</b> | <b>Actual Loan<br/>Origination Date</b> |
|---------------------|--------------------|--------------------------|--------------------------|---|
| Maplewood Apts      | \$8,600,000        | 35/17 Years              | 4.80%                    | November 24, 2015                       |

(\*) loan is amortized over 35 years with a balloon payment due in year 17.

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

## MEMORANDUM

To: Board of Directors

Date: February 26, 2016



Timothy Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: REPORT OF BOND SALE  
MULTIFAMILY HOUSING REVENUE BONDS (WOODGLEN VISTA APARTMENTS –  
FHA RISK-SHARE INSURED MORTGAGE LOAN) 2016 ISSUE B

On February 29, 2016, the Agency issued \$31,000,000 of bonds under a stand-alone Multifamily Housing Revenue Bonds (Woodglen Vista Apartments – FHA Risk-Share Insured Mortgage Loan) 2016 Issue B indenture. The bonds were issued as tax-exempt fixed rate bonds. The 2016 Issue B bonds are limited obligations of the Agency and rated Aaa by Moody's Investors Service.

The bonds have been issued to provide financing for the costs of the acquisition and rehabilitation of a multifamily project under the Agency's Preservation program for which all loans are insured under the FHA risk share program. The details of the loan amount are shown in the following table.

| <b>Project Name</b> | <b>Loan Amount</b> | <b>Loan Term</b> | <b>Interest Rate</b> | <b>Actual Loan Origination Date</b> |
|---------------------|--------------------|------------------|----------------------|-------------------------------------|
| Woodglen Vista Apts | \$31,000,000       | 35 Years         | 5.00%                | December 31, 2015                   |

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

**MEMORANDUM****To:** Board of Directors

Date: February 25, 2016



Timothy Hsu, Director of Financing

**From:** CALIFORNIA HOUSING FINANCE AGENCY**Subject:** UPDATE OF CONDUIT ISSUANCE PROGRAM

The CalHFA Conduit Issuer Program (Conduit Program) is designed to facilitate both for-profit and non-profit developers in accessing tax-exempt and taxable bonds for the financing of family and senior affordable and mixed-income housing developments. The goals of the program are to increase and preserve the supply of affordable rental housing, maintain a quality living environment, leverage private sector funds to the greatest extent possible, and to cooperate with local jurisdictions to advance affordable housing goals.

CalHFA made numerous program changes in March 2015 to be more competitive on fees and added a locality review process in place to address any of the locality concerns. In addition to generating fee income for the Agency, the Conduit Program is an entry point for developers, lenders, bond counsels, and financial advisors to become more familiar with all of CalHFA multifamily programs and resources.

| <i>Conduits Completed in FY15-16:</i> |                                 |                 |                     |              |                     |                    |
|---------------------------------------|---------------------------------|-----------------|---------------------|--------------|---------------------|--------------------|
|                                       | <b>Project Name</b>             | <b>City</b>     | <b>Project Type</b> | <b>Units</b> | <b>Date Closed</b>  | <b>Loan Amount</b> |
| 1                                     | Edgewater Isle                  | San Mateo       | Senior              | 92           | 4/9/2015            | \$ 18,846,000      |
| 2                                     | Betel Apartments                | San Francisco   | Family              | 50           | 7/10/2015           | 18,000,000         |
| 3                                     | Park Sunset Apartments          | San Francisco   | Senior              | 30           | 10/22/2015          | 10,000,000         |
| 4                                     | Groves at Manzanita             | Carmichael      | Family              | 89           | 11/13/2015          | 10,000,000         |
| 5                                     | Kenneth Park                    | Carmichael      | Family              | 97           | 11/13/2015          | 11,250,000         |
| 6                                     | Summit at Fair Oaks             | Fair Oaks       | Family              | 70           | 11/13/2015          | 10,000,000         |
| 7                                     | Sunrise Meadows                 | Rancho Cordova  | Family              | 95           | 11/13/2015          | 10,500,000         |
| 8                                     | Downtown Hayward Senior Apts    | Hayward         | Senior              | 60           | 12/3/2015           | 17,500,000         |
| 9                                     | O'Farrell Towers                | San Francisco   | Senior              | 101          | 12/18/2015          | 29,004,040         |
| 10                                    | Rowland Heights Terrace Apartme | Rowland Heights | Family              | 144          | 12/22/2015          | 30,000,000         |
| 11                                    | Plum Tree West Apartments       | Gilroy          | Senior              | 70           | 2/18/2016           | 22,849,036         |
|                                       |                                 |                 |                     | 898          |                     | \$ 187,949,076     |
| <i>Conduit Pipeline:</i>              |                                 |                 |                     |              |                     |                    |
|                                       | <b>Project Name</b>             | <b>City</b>     | <b>Project Type</b> | <b>Units</b> | <b>Closing Date</b> | <b>Loan Amount</b> |
| <i>(In Process to Close)</i>          |                                 |                 |                     |              |                     |                    |
| 1                                     | MORH I Housing                  | Oakland         | Family              | 126          | 3/24/2016           | \$ 61,600,000      |
| 2                                     | Oak Center I                    | Oakland         | Family              | 77           | 3/24/2016           | 29,260,000         |
| 3                                     | Arbor Terraces                  | San Jose        | Senior              | 86           | 4/7/2016            | 10,551,259         |
| 4                                     | The Verandas                    | San Jose        | Family              | 92           | 4/7/2016            | 13,430,000         |
| 5                                     | Ortiz Plaza                     | Petaluma        | Family              | 30           | 4/8/2016            | 7,060,000          |
|                                       |                                 |                 |                     | 411          |                     | \$ 121,901,259     |

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

## MEMORANDUM

**To:** Board of Directors

**Date:** February 29, 2016



Timothy Hsu, Director of Financing

**From:** CALIFORNIA HOUSING FINANCE AGENCY

**Subject:** AGENCY BONDS, INTEREST RATE SWAPS, AND FINANCING RISK FACTORS REPORT

### EXECUTIVE SUMMARY:

Since our last report, the variable rate debt decreased by \$94 million, from \$1,102 million to \$1,008 million; and the swap notional outstanding decreased by \$160 million, from \$1,228 to \$1,068 million.

- 1) We now have more swap notionals (\$1.068mn) than variable rate debt (\$1.008mn). This is due to our strategy of aggressively deleveraging the balance sheet by redeeming variable rate bonds. At this point we believe this mismatch is manageable.
- 2) Our collateral posting risk has been contained to around the \$40 million range--at its height, it was \$132 million.
- 3) We are continuing our general strategy of winding down our swap portfolio as quickly as we can while incurring as little cost as possible.
- 4) This report will be provided semi-annually, after February 1 and August 1, which are scheduled bond payment and swap notional reduction dates.

The following report describes our bond and interest rate swap positions as well as the related risks associated with variable rate and swap strategies. The report is divided into sections as follows:

- 1) Outstanding Bonds
- 2) Variable Rate Debt
  - a) Variable Rate Debt Exposure
  - b) Types of Variable Rate Debt
  - c) Liquidity Providers
  - d) Interest Rate Swaps
- 3) Financing Risk Factors
  - a) Unhedged Variable Rate Risk
  - b) Basis Risk
  - c) Amortization Risk
  - d) Termination Risk
  - a) Collateral Posting Risk

**1) OUTSTANDING BONDS**

Below is the Agency's outstanding debt position. This table does not include any pass-thru or conduit financings which make up an additional \$495 million

**BONDS OUTSTANDING**  
As of February 1, 2016  
(*\$ in millions*)

|               | <u>Fixed Rate</u> | Variable Rate | <u>Totals</u> |
|---------------|-------------------|---------------|---------------|
| Single Family | \$1,069           | \$801         | \$1,870       |
| Multifamily   | <u>356</u>        | <u>207</u>    | <u>563</u>    |
| TOTALS        | \$1,425           | \$1,008       | \$2,433       |

**2) VARIABLE RATE DEBT****a) VARIABLE RATE DEBT EXPOSURE**

Over the years the Agency has integrated the use of variable rate debt as a primary issuance strategy in providing capital to support its programmatic goals (this strategy, however, has not been utilized since 2008.) Most of our interest rate exposure from variable rate debt is hedged in the swap market.

This section describes the variable rate bonds of CalHFA and is organized programmatically by indenture as follows: HMRB (Home Mortgage Revenue Bonds--CalHFA's largest single family indenture) and MHRB (Multifamily Housing Revenue Bonds III--CalHFA's largest multifamily indenture). The total amount of CalHFA variable rate debt is \$1 billion, 41% of our \$2.9 billion of total indebtedness as of February 1, 2016.

**VARIABLE RATE DEBT**  
(*\$ in millions*)

|           | <u>Swapped to<br/>Fixed Rate</u> | Not Swapped<br>or Tied to<br>Variable Rate<br><u>Assets</u> | <u>Total<br/>Variable<br/>Rate Debt</u> |
|-----------|----------------------------------|---|---|
| HMRB (SF) | \$146                            | \$654   | \$800                                   |
| MHRB (MF) | <u>152</u>                       | <u>56</u>   | <u>208</u>                              |
| Total     | \$298                            | \$710   | \$1,008                                 |

**b) TYPES OF VARIABLE RATE DEBT**

The following table shows our variable rate debt sorted by type, i.e., whether auction rate, indexed rate, or variable rate demand obligations (VRDOs). Auction and indexed rate securities cannot be "put" back to us or to a third party by investors; hence they typically bear higher rates of interest than do "put-able" bonds such as VRDOs.

**TYPES OF VARIABLE RATE DEBT**  
(*\$ in millions*)

|       | Auction<br>Rate & Similar<br><u>Securities</u> | Indexed<br>Rate<br><u>Bonds</u> | Variable<br>Rate<br>Demand<br><u>Obligations</u> | Total<br>Variable<br>Rate<br><u>Debt</u> |
|-------|--|---------------------------------|--|--|
| HMRB  | \$0  | \$404                           | \$397  | \$802                                    |
| MHRB  | <u>61</u>                                      | <u>0</u>                        | <u>146</u>                                       | <u>207</u>                               |
| Total | \$61   | \$404                           | \$543  | \$1,008                                  |

**c) LIQUIDITY PROVIDERS**

On October 19, 2009, the United States Treasury (Treasury) announced a new initiative for state and local housing finance agencies (HFAs) to provide a new bond purchase program to support new lending by HFAs and to provide a temporary credit and liquidity program (TCLP) to improve access of HFAs to liquidity for outstanding HFA bonds. On December 23, 2009, the Agency closed eight TCLP transactions with Treasury to replace the liquidity for \$3.5 billion of variable rate bonds. The new liquidity became effective in January 2010 on the mandatory tender dates of the bonds with an initial expiration date of December 23, 2012. However, the Agency successfully negotiated with Treasury to extend the deadline for the TCLP to December 23, 2015.

With the approaching TCLP expiration date, the Agency took steps to obtain substitution liquidity from private banks. On November 19, 2014, the Agency replaced \$81.3 million of TCLP with a line of credit from JPMorgan Chase Bank. On May 6, 2015, the Agency replaced \$72.45 million of TCLP with a line of credit from Citibank, and on July 22, 2015, the Agency replaced the remaining \$510.7 million of TCLP with lines of credit from five private banks. Under these agreements, if our variable rate bonds cannot be remarketed these liquidity providers are required to buy the bonds from the bondholders. The table on the next page shows the banks which are providing liquidity.

## LIQUIDITY PROVIDERS

As of 2/1/2016

(\$ in millions)

| <u>Financial Institution</u> | <u>\$ Amount of Bonds</u> |
|------------------------------|---------------------------|
| Bank of Tokyo                | \$123                     |
| Bank of America              | 119                       |
| RBC                          | 94                        |
| JPMorganChase                | 76                        |
| Citibank                     | 70                        |
| Sumitomo                     | <u>61</u>                 |
| Total                        | <u>\$543</u>              |

**d) INTEREST RATE SWAP**

Currently, we have a total of 67 “fixed-payer” swaps with ten different counterparties for a combined notional amount of \$1.1 billion. All of these fixed-payer swaps are intended to establish synthetic fixed rate debt by converting our variable rate payment obligations to fixed rates. The table below provides a summary of our swap notional amounts.

## FIXED PAYER INTEREST RATE SWAPS

(notional amounts)

(\$ in millions)

|        | <u>Tax-Exempt</u> | <u>Taxable</u> | <u>Totals</u> |
|--------|-------------------|----------------|---------------|
| HMRB   | \$555             | \$57           | \$612         |
| MHRB   | <u>456</u>        | <u>0</u>       | <u>456</u>    |
| TOTALS | \$1,011           | \$57           | \$1,068       |

## SWAPS

(\$ in millions)

|        | <u>Hedging<br/>Bonds</u> | <u>Not Hedging<br/>Bonds</u> | <u>Totals</u> |
|--------|--------------------------|------------------------------|---------------|
| HMRB   | \$146                    | \$466                        | \$612         |
| MHRB   | <u>152</u>               | <u>304</u>                   | <u>456</u>    |
| TOTALS | \$298                    | \$770                        | \$1,068       |

For all of our fixed-payer swaps, we receive floating rate payments from our counterparties in exchange for a fixed-rate obligation on our part. In today’s market, the net periodic payment owed under these swap agreements is from us to our counterparties. As an example, on our February 1, 2016 semiannual debt service payment date we made a total of \$24 million of net payments to our

counterparties. Conversely, if short-term rates were to rise above the fixed rates of our swap agreements, then the net payment would run in the opposite direction, and we would be on the receiving end.

The table below shows the diversification of our fixed payer swaps among the ten firms acting as our swap counterparties.

## SWAP COUNTERPARTIES

| <u>Swap Guarantor</u>                                   | <u>Credit Ratings</u> |                  | <u>Notional Amounts</u>                        | <u>Number of Swaps</u> |
|---|-----------------------|------------------|--|------------------------|
|   | <u>Moody's</u>        | <u>S &amp; P</u> | <u>Swapped as of 2/1/2016 (\$ in millions)</u> |                        |
| Merrill Lynch Derivative Products                       | Aa3                   | A+               | \$ 399   | 32                     |
| JPMorgan Chase Bank, N.A.                               | Aa3                   | A+               | 234  | 11                     |
| Goldman Sachs Mitsui Marine Derivative Products, , L.P. | Aa2                   | AAA              | 163  | 5                      |
| Deutsche Bank AG  | A3                    | BBB+             | 104  | 9                      |
| Citigroup Financial Products, Inc.                      | Baa1                  | A-               | 50   | 4                      |
| Morgan Stanley Capital Services, Inc.                   | A3                    | A-               | 39   | 1                      |
| AIG Financial Products, Corp. <sup>2</sup>              | Baa1                  | A-               | 31   | 2                      |
| BNP Paribas   | A1                    | A+               | 29   | 1                      |
| UBS AG  | A2                    | A                | 11   | 1                      |
| Dexia Credit Local New York Agency <sup>2</sup>         | Baa3                  | BBB              | 9  | 1                      |
|   |                       |                  | \$ 1,068 <sup>1</sup>                          | 67                     |

<sup>1</sup> \$129.3Mn of Basis Swaps not included in totals; (recent payments have been positive to the Agency, though they have been comparatively small)

<sup>2</sup> Swap counterparty's rating has triggered Additional Termination Event (ATE); Agency has right to terminate the associated swaps; additionally, the rating agencies no longer consider these swaps to be effective hedges see "Termination Risk" section of report

### **3) FINANCING RISK FACTORS**

#### **a) Unhedged Variable Rate Risk**

As shown in Sec. 2(a), the Variable Rate Debt table, our "net" variable rate exposure is \$710 million. The net amount of variable rate bonds is the amount that is neither swapped to fixed rates nor directly backed by complementary variable rate loans or investments. The \$710 million of net variable rate exposure is offset by the Agency's variable rate investments and excess swap positions. The Agency's balance sheet has: i) \$358 million (six month average balance) invested in the State Treasurer's investment pool (SMIF) earning a variable rate of interest; and, ii) \$770 million notional amount of interest rate swaps in excess of the hedged bonds.

From a risk management perspective, these two positions serve as a balance sheet hedge for the \$710 million of net variable rate exposure.

#### **b) BASIS RISK**

Almost all of our swaps contain an element of what is referred to as "basis risk" – the risk that the floating rate component of the swap will not match the floating rate of the underlying bonds. This risk arises because our swap floating rates are based on indices, which consist of market-wide averages, while our bond floating rates are specific to our individual bond issues. The only exception is where our taxable floating rate bonds are index-based, as is the case of the taxable floaters we have sold to the Federal Home Loan Banks.

The relationship between the two floating rates changes as market conditions change. Some of the conditions that contributed to our extreme basis mismatch in 2009 and early 2010 were the collapse of the auction rate securities market, the impact of bond insurer downgrades, the funding of bank bonds at higher rates, and SIFMA/LIBOR ratio at historically high levels over 100%. We responded to the market disruption by refunding, converting, or otherwise modifying many of the underperforming auction rate securities and insured VRDOs, and we eliminated bank bonds by taking advantage of the Temporary Credit and Liquidity Program offered by the federal government.

The new Temporary Credit and Liquidity Program from the federal government and the GSEs has significantly reduced basis mismatch. This has allowed CalHFA VRDOs to reset with little or no spread to SIFMA.

The floating formulas of Agency swaps are usually indexed to LIBOR or SIFMA. LIBOR is the London Interbank Offered Rate index which is used to benchmark taxable floating rate debt, and SIFMA is the Securities Industry and Financial markets Association Index to benchmark tax-exempt variable rates. When the SIFMA/LIBOR ratio is very high, the swap payment we receive falls short of our bond payment, and the all-in rate we experience is somewhat higher. The converse is true when the percentage is low.

The SIFMA/LIBOR ratio for the past six months has been averaging 39% which means we have received more floating rate payments from the swaps than floating rate payments paid to the bondholders..

**c) AMORTIZATION RISK**

Our bonds are generally paid down (redeemed or paid at maturity) as our loans are prepaid. Our interest rate swaps amortize over their lives based on assumptions about the receipt of prepayments, and the single family transactions which include swapped bonds have generally been designed to accommodate prepayment rates between two and three times the “normal” rate. Our interest rate swaps generally have had fixed amortization schedules that can be met under a sufficiently wide ranges of prepayment speeds. In addition, swaps that were entered into after 2003 had swap termination options which allowed the Agency to terminate all or portions of the swap at par (no cost to terminate). The table below shows the par terminations that the Agency has exercised to date.

|      | Actual Swap Par<br>Options<br>Exercised<br>(\$ in thousands) |      | Future Swap Par<br>Options<br>(next 5 years)<br>(\$ in thousands) |
|------|--|------|---|
| 2004 | \$12,145   | 2016 | \$82,500  |
| 2005 | 35,435   | 2017 | 126,800   |
| 2006 | 20,845   | 2018 | 35,770  |
| 2007 | 28,120   | 2019 | 18,865  |
| 2008 | 18,470   | 2020 | 6,000   |
| 2009 | 370,490  |      | <u>\$269,935</u>  |
| 2010 | 186,465  |      |   |
| 2011 | 288,700  |      |   |
| 2012 | 361,975  |      |   |
| 2013 | 243,855  |      |   |
| 2014 | 162,140  |      |   |
| 2015 | 95,160   |      |   |
| 2016 | 109,920  |      |   |
|      | <u>\$1,933,720</u>   |      |   |

Of interest is a \$770 million overswap mismatch between the notional amount of certain of our swaps and the outstanding amount of the related bonds. This mismatch has occurred for two reasons: 1) as a result of the interplay between loan prepayments and the “10-year rule” of federal tax law and 2) the strategic debt management of the Agency to deleveraging the balance sheet by redeeming variable rate bonds.

**d) TERMINATION RISK**

Termination risk is the risk that, for some reason, our interest rate swaps must be terminated prior to their scheduled maturity. Our swaps have a market value that is determined based on current interest rates. When current fixed rates are higher than the fixed rate of the swap, our swaps have a positive value to us (assuming, as is the case on all of our swaps today, that we

are the payer of the fixed swap rate), and termination would result in a payment from the provider of the swap (our swap “counterparty”) to us. Conversely, when current fixed rates are lower than the fixed rate of the swap, our swaps have a negative value to us, and termination would result in a payment from us to our counterparty.

Our swap documents allow for a number of termination “events,” i.e., circumstances under which our swaps may be terminated early, or “unwound”. One circumstance that would cause termination would be a payment default on the part of either counterparty. Another circumstance would be a sharp drop in either counterparty’s credit ratings and, with it, an inability (or failure) of the troubled counterparty to post sufficient collateral to offset its credit problem. It should be noted that, if termination is required under the swap documents, the market determines the amount of the termination payment and who owes it to whom. Depending on the market, it may be that the party who has caused the termination is owed the termination payment.

#### Termination Value History

| <u>Date</u> | <u>Termination<br/>Value<br/>(\$ in millions)</u> |
|-------------|---|
| 3/31/2016   | (\$183)   |
| 6/30/2016 * | (\$186)   |
| 9/30/2016   | (\$175)   |
| 12/31/2014  | (\$183)   |
| 3/31/2015   | (\$189)   |
| 6/30/2015 * | (\$162)   |
| 9/30/2015   | (\$175)   |
| 12/31/2015  | (\$159)   |

\* As reported in financial statements

#### e) COLLATERAL POSTING RISK

Some ISDA agreements that we have entered into with the swap counterparties have collateral posting requirements. These postings are a function of the mark-to-market, ratings, threshold amounts, independent amounts and any collateral already posted. Our trades are valued weekly, and our collateral position is adjusted weekly based on those valuations. Failure to post the required collateral can result in a termination event.

The Agency’s obligation to post collateral under certain of its interest rate swap contracts has declined from its peak of \$132 million at the end of January 2012. Between February 11, 2015 and February 11, 2016, the Agency’s collateral posting requirements have ranged between \$15 million to \$41 million.

The table below shows the required collateral amounts currently posted to swap counterparties.

|                   | Swap Collateral Posting<br>as of 2/10/2016<br><u>(\$ in millions)</u> |
|-------------------|---|
| JPMorgan          | \$15.00   |
| Goldman Sachs     | 9.63  |
| Bank of America   | 6.25  |
| BoA/Merrill Lynch | <u>10.89</u>  |
|                   | <u>\$41.77</u>  |

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

State of California

## MEMORANDUM

To: Board of Directors

Date: February 29, 2016



Tim Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: Homeownership Loan Portfolio Report and Highlights for January 31, 2016

- The overall delinquency rate has decreased from a high of 17.94% in January 2010 to 8.28% in January 2016.
  - The delinquency rate for FHA loans has decreased from a high of 19.86% in January 2010 to 9.75% in January 2016.
  - The delinquency rate for Conventional loans has decreased from a high of 16.31% in January 2010 to 6.94% in January 2016.
- Conventional MI loans with no reinsurance have the highest delinquency rate at 11.18% (comparing all conventional and FHA loans)
- The REO inventory reached its peak of 1,391 loans, between the third and fourth quarters of 2010 (315 FHA loans and 1,076 Conventional loans) it is now 26 loans (2 FHA loans and 24 Conventional loans).
- The annualized 2016 foreclosure rate for Conventional loans is 0.7% compared to a high of 10% in 2010.
- As of January 2016, loans modified starting in 2011 have a lower default rate, which parallels the introduction of the Keep Your Home California (KYHC) Program. The loans modified starting in 2012 have an even lower default rate, which parallels the increase in the principal reduction program (PRP) maximum payment from \$50,000 to \$100,000.
- Since 2011 we have modified 651 loans (FHA and conventional) that received KYHC's Principal Reduction Program (PRP) funds, for a total of \$40.1 million. "Cure" rates for modified loans (current at time of modification): 84.38%
- "Cure" rates for modified loans (delinquent at time of modification): 71.72%

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**

## HOMEOWNERSHIP LOAN PORTFOLIO DELINQUENCY, REO & SHORT SALE, UNINSURED LOSS, AND LOAN MODIFICATION REPORT

January 31, 2016

### Reconciled Loan Delinquency Summary All Active Loans By Insurance Type

|  | Loan Count    | Balance                 | % of Balance   | DELINQUENCY RATIOS - % of Loan Count |              |            |              |            |              | Totals       |              |
|--|---------------|-------------------------|----------------|--------------------------------------|--------------|------------|--------------|------------|--------------|--------------|--------------|
|  |               |                         |                | Loan Count                           | 30-Day       | Loan Count | 60-Day       | Loan Count | 90(+)-Day    | Count        | %            |
| <b>Federal Guaranty</b>                        |               |                         |                |                                      |              |            |              |            |              |              |              |
| FHA  | 6,202         | \$ 591,007,258          | 31.52%         | 335                                  | 5.40%        | 106        | 1.71%        | 164        | 2.64%        | 605          | 9.75%        |
| VA   | 122           | 10,204,461              | 0.54%          | 5                                    | 4.10%        | 1          | 0.82%        | 4          | 3.28%        | 10           | 8.20%        |
| RHS  | 70            | 11,493,603              | 0.61%          | 2                                    | 2.86%        | 1          | 1.43%        | 1          | 1.43%        | 4            | 5.71%        |
| <b>Conventional loans</b>                      |               |                         |                |                                      |              |            |              |            |              |              |              |
| <b>with MI</b>                                 |               |                         |                |                                      |              |            |              |            |              |              |              |
| MI with Reinsurance                            | 1,140         | 272,190,993             | 14.52%         | 47                                   | 4.12%        | 12         | 1.05%        | 52         | 4.56%        | 111          | 9.74%        |
| No Reinsurance                                 | 903           | 218,822,763             | 11.67%         | 52                                   | 5.76%        | 7          | 0.78%        | 42         | 4.65%        | 101          | 11.18%       |
| <b>without MI</b>                              |               |                         |                |                                      |              |            |              |            |              |              |              |
| Originated with no MI                          | 3,138         | 514,279,982             | 27.43%         | 101                                  | 3.22%        | 24         | 0.76%        | 62         | 1.98%        | 187          | 5.96%        |
| MI Cancelled*                                  | 1,534         | 257,210,025             | 13.72%         | 44                                   | 2.87%        | 10         | 0.65%        | 13         | 0.85%        | 67           | 4.37%        |
| <b>Total CalHFA</b>                            | <b>13,109</b> | <b>\$ 1,875,209,086</b> | <b>100.00%</b> | <b>586</b>                           | <b>4.47%</b> | <b>161</b> | <b>1.23%</b> | <b>338</b> | <b>2.58%</b> | <b>1,085</b> | <b>8.28%</b> |
| <i>Weighted average of conventional loans:</i> |               |                         |                | 244                                  | 3.63%        | 53         | 0.79%        | 169        | 2.52%        | 466          | 6.94%        |

\*Cancelled per Federal Homeowner Protection Act of 1998, which grants the option to cancel the MI with 20% equity.

Note: In accordance with CalHFA's policy, no trustee sale is permitted between December 15 and January 5 of any year without CalHFA's prior written approval.

### Reconciled Loan Delinquency Summary All Active Loans By Loan Type

|  | Loan Count    | Balance                 | % of Balance   | DELINQUENCY RATIOS - % of Loan Count |              |            |              |            |              | Totals       |              |
|--|---------------|-------------------------|----------------|--------------------------------------|--------------|------------|--------------|------------|--------------|--------------|--------------|
|  |               |                         |                | Loan Count                           | 30-Day       | Loan Count | 60-Day       | Loan Count | 90(+)-Day    | Count        | %            |
| <b>30-yr level amort</b>                       |               |                         |                |                                      |              |            |              |            |              |              |              |
| FHA  | 6,202         | \$ 591,007,258          | 31.52%         | 335                                  | 5.40%        | 106        | 1.71%        | 164        | 2.64%        | 605          | 9.75%        |
| VA   | 122           | 10,204,461              | 0.54%          | 5                                    | 4.10%        | 1          | 0.82%        | 4          | 3.28%        | 10           | 8.20%        |
| RHS  | 70            | 11,493,603              | 0.61%          | 2                                    | 2.86%        | 1          | 1.43%        | 1          | 1.43%        | 4            | 5.71%        |
| Conventional - with MI                         | 830           | 174,493,193             | 9.31%          | 41                                   | 4.94%        | 9          | 1.08%        | 30         | 3.61%        | 80           | 9.64%        |
| Conventional - w/o MI                          | 4,155         | 660,074,944             | 35.20%         | 123                                  | 2.96%        | 30         | 0.72%        | 55         | 1.32%        | 208          | 5.01%        |
| <b>40-yr level amort</b>                       |               |                         |                |                                      |              |            |              |            |              |              |              |
| Conventional - with MI                         | 198           | 51,383,374              | 2.74%          | 14                                   | 7.07%        | 4          | 2.02%        | 12         | 6.06%        | 30           | 15.15%       |
| Conventional - w/o MI                          | 154           | 28,853,042              | 1.54%          | 6                                    | 3.90%        | 2          | 1.30%        | 3          | 1.95%        | 11           | 7.14%        |
| <b>*5-yr IOP, 30-yr amort</b>                  |               |                         |                |                                      |              |            |              |            |              |              |              |
| Conventional - with MI                         | 1,015         | 265,137,190             | 14.14%         | 44                                   | 4.33%        | 6          | 0.59%        | 52         | 5.12%        | 102          | 10.05%       |
| Conventional - w/o MI                          | 363           | 82,562,022              | 4.40%          | 16                                   | 4.41%        | 2          | 0.55%        | 17         | 4.68%        | 35           | 9.64%        |
| <b>Total CalHFA</b>                            | <b>13,109</b> | <b>\$ 1,875,209,086</b> | <b>100.00%</b> | <b>586</b>                           | <b>4.47%</b> | <b>161</b> | <b>1.23%</b> | <b>338</b> | <b>2.58%</b> | <b>1,085</b> | <b>8.28%</b> |
| <i>Weighted average of conventional loans:</i> |               |                         |                | 244                                  | 3.63%        | 53         | 0.79%        | 169        | 2.52%        | 466          | 6.94%        |

\*All IOP loans were converted to fixed (amortizing) loans.

January 31, 2016

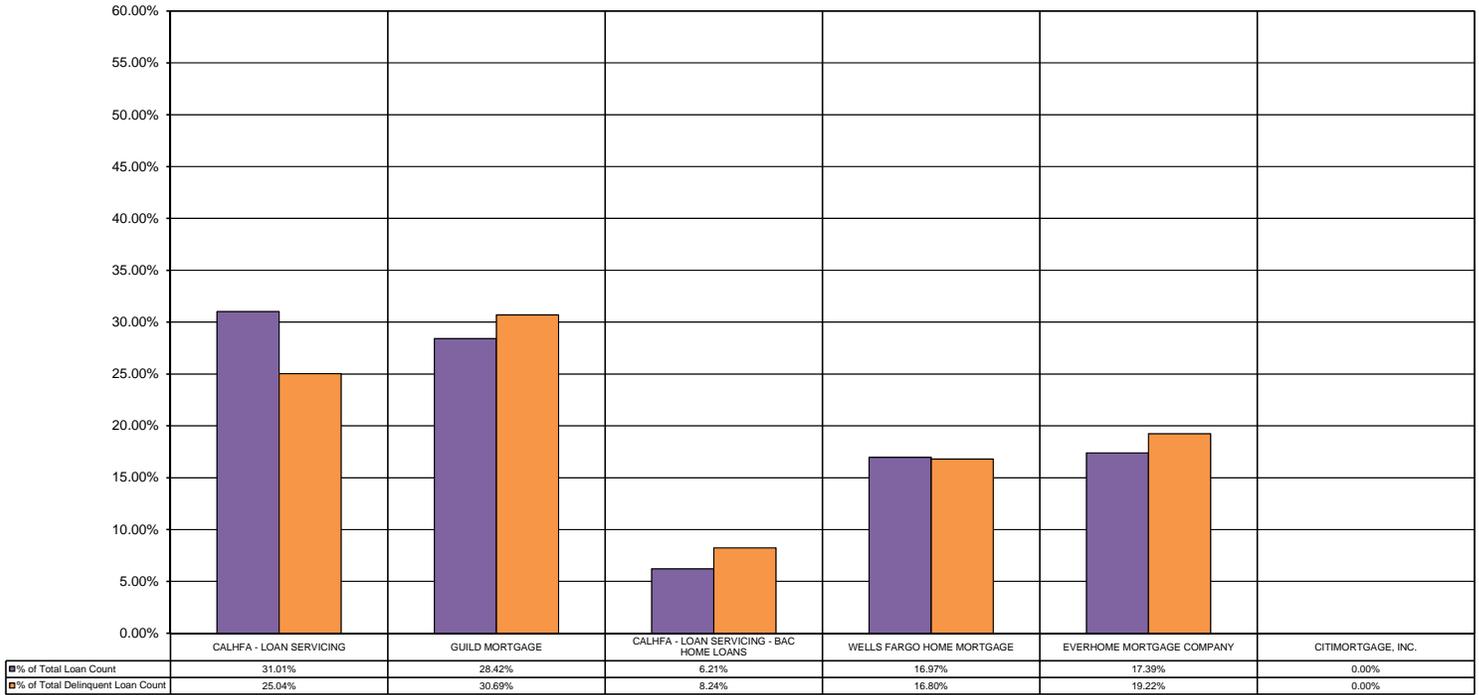
**Reconciled Loan Delinquency Summary  
All Active Loans By Servicer**

|  | Loan Count | Balance          | % of Balance | DELINQUENCY RATIOS - % of Loan Count |        |            |        |            | Totals    |       |        |
|--|------------|------------------|--------------|--------------------------------------|--------|------------|--------|------------|-----------|-------|--------|
|  |            |                  |              | Loan Count                           | 30-Day | Loan Count | 60-Day | Loan Count | 90(+)-Day | Count | %      |
| CALHFA - LOAN SERVICING                  | 5,810      | \$ 1,026,253,159 | 54.73%       | 198                                  | 3.41%  | 55         | 0.95%  | 145        | 2.50%     | 398   | 6.85%  |
| GUILD MORTGAGE                           | 3,126      | 415,975,981      | 22.18%       | 177                                  | 5.66%  | 50         | 1.60%  | 78         | 2.50%     | 305   | 9.76%  |
| WELLS FARGO HOME MORTGAGE                | 1,505      | 136,438,383      | 7.28%        | 77                                   | 5.12%  | 13         | 0.86%  | 44         | 2.92%     | 134   | 8.90%  |
| EVERHOME MORTGAGE COMPANY                | 1,348      | 103,326,736      | 5.51%        | 79                                   | 5.86%  | 22         | 1.63%  | 37         | 2.74%     | 138   | 10.24% |
| CALHFA - LOAN SERVICING - BAC HOME LOANS | 1,289      | 187,330,431      | 9.99%        | 55                                   | 4.27%  | 19         | 1.47%  | 32         | 2.48%     | 106   | 8.22%  |
| CITIMORTGAGE, INC.                       | 31         | 5,884,396        | 0.31%        | 0                                    | 0.00%  | 2          | 6.45%  | 2          | 6.45%     | 4     | 12.90% |
| Total CalHFA                             | 13,109     | \$ 1,875,209,086 | 100.00%      | 586                                  | 4.47%  | 161        | 1.23%  | 338        | 2.58%     | 1,085 | 8.28%  |

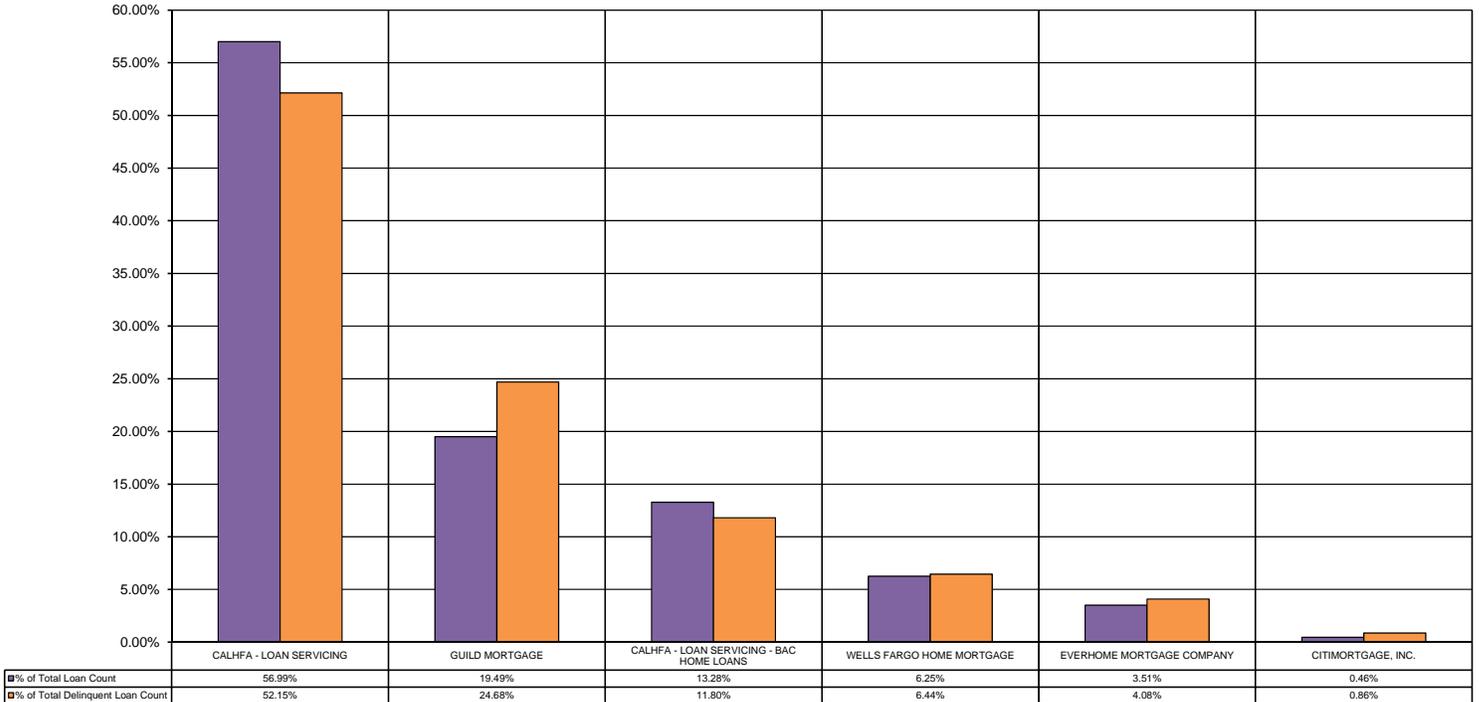
**Reconciled Loan Delinquency Summary  
All Active Loans By County**

|                | Loan Count | Balance          | % of Balance | DELINQUENCY RATIOS - % of Loan Count |        |            |        |            | Total   |       |        |
|----------------|------------|------------------|--------------|--------------------------------------|--------|------------|--------|------------|---------|-------|--------|
|                |            |                  |              | Loan Count                           | 30-Day | Loan Count | 60-Day | Loan Count | 90-Day+ | Count | %      |
| LOS ANGELES    | 2,179      | \$ 386,001,903   | 20.58%       | 85                                   | 3.90%  | 26         | 1.19%  | 53         | 2.43%   | 164   | 7.53%  |
| SAN DIEGO      | 1,005      | 180,755,137      | 9.64%        | 42                                   | 4.18%  | 12         | 1.19%  | 27         | 2.69%   | 81    | 8.06%  |
| KERN           | 911        | 77,392,796       | 4.13%        | 59                                   | 6.48%  | 17         | 1.87%  | 25         | 2.74%   | 101   | 11.09% |
| FRESNO         | 814        | 59,265,705       | 3.16%        | 38                                   | 4.67%  | 11         | 1.35%  | 24         | 2.95%   | 73    | 8.97%  |
| TULARE         | 805        | 59,118,458       | 3.15%        | 49                                   | 6.09%  | 12         | 1.49%  | 23         | 2.86%   | 84    | 10.43% |
| SANTA CLARA    | 722        | 152,458,740      | 8.13%        | 20                                   | 2.77%  | 4          | 0.55%  | 6          | 0.83%   | 30    | 4.16%  |
| SAN BERNARDINO | 584        | 81,508,843       | 4.35%        | 33                                   | 5.65%  | 6          | 1.03%  | 19         | 3.25%   | 58    | 9.93%  |
| RIVERSIDE      | 570        | 73,186,191       | 3.90%        | 42                                   | 7.37%  | 12         | 2.11%  | 30         | 5.26%   | 84    | 14.74% |
| SACRAMENTO     | 553        | 83,164,077       | 4.43%        | 23                                   | 4.16%  | 6          | 1.08%  | 13         | 2.35%   | 42    | 7.59%  |
| ALAMEDA        | 516        | 101,399,622      | 5.41%        | 11                                   | 2.13%  | 1          | 0.19%  | 9          | 1.74%   | 21    | 4.07%  |
| ORANGE         | 508        | 93,205,587       | 4.97%        | 11                                   | 2.17%  | 5          | 0.98%  | 9          | 1.77%   | 25    | 4.92%  |
| CONTRA COSTA   | 439        | 83,485,896       | 4.45%        | 18                                   | 4.10%  | 3          | 0.68%  | 12         | 2.73%   | 33    | 7.52%  |
| IMPERIAL       | 396        | 33,657,177       | 1.79%        | 31                                   | 7.83%  | 9          | 2.27%  | 9          | 2.27%   | 49    | 12.37% |
| VENTURA        | 296        | 65,760,923       | 3.51%        | 8                                    | 2.70%  | 1          | 0.34%  | 3          | 1.01%   | 12    | 4.05%  |
| BUTTE          | 295        | 27,547,054       | 1.47%        | 14                                   | 4.75%  | 3          | 1.02%  | 10         | 3.39%   | 27    | 9.15%  |
| OTHER COUNTIES | 2,516      | 317,300,977      | 16.92%       | 102                                  | 4.05%  | 33         | 1.31%  | 66         | 2.62%   | 201   | 7.99%  |
| Total CalHFA   | 13,109     | \$ 1,875,209,086 | 100.00%      | 586                                  | 4.47%  | 161        | 1.23%  | 338        | 2.58%   | 1,085 | 8.28%  |

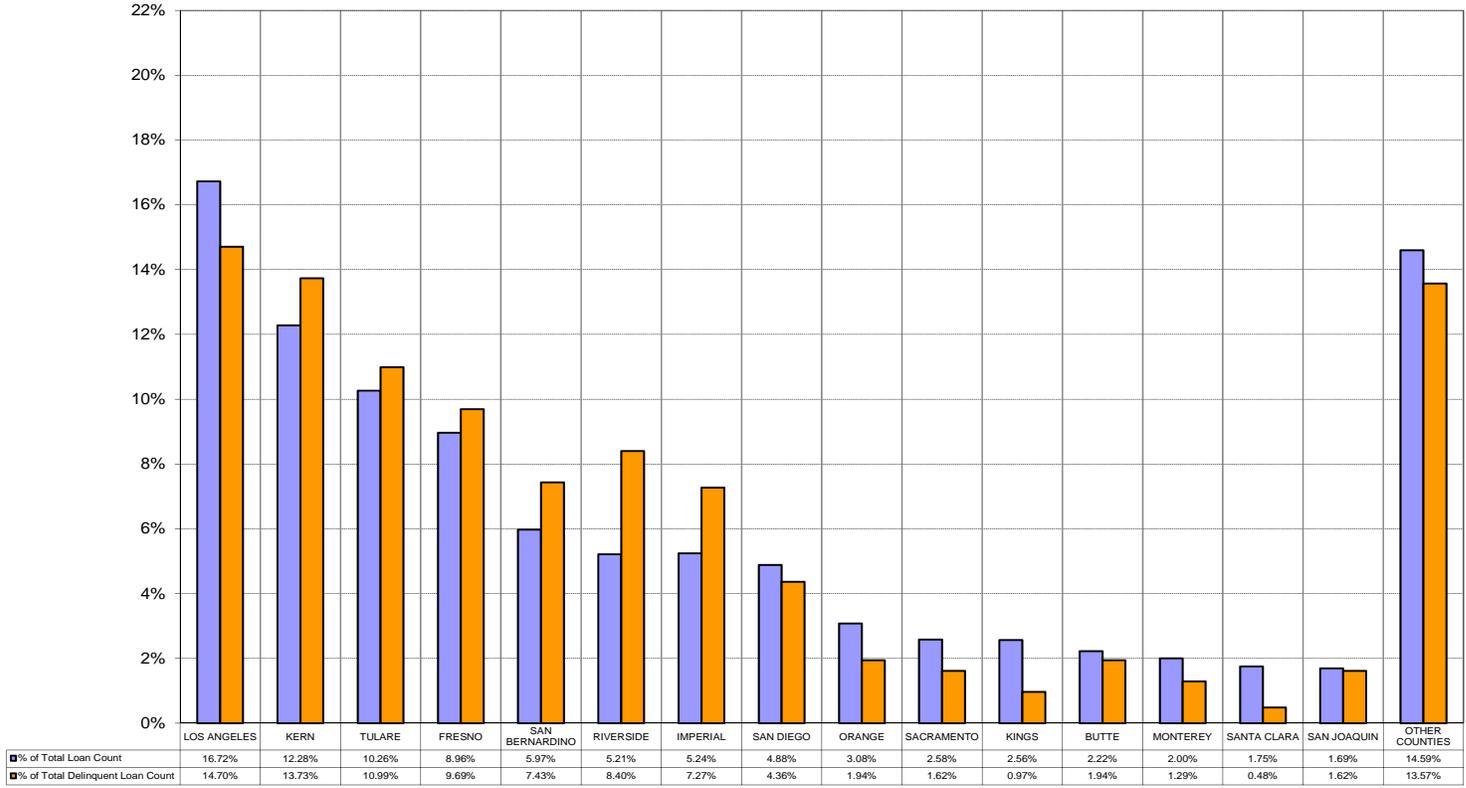
**CalHFA FHA Loan Portfolio Performance Comparison by Servicer  
(% of Total Loan Count vs. % of Total Delinquent Loan Count)  
as of January 31, 2016**



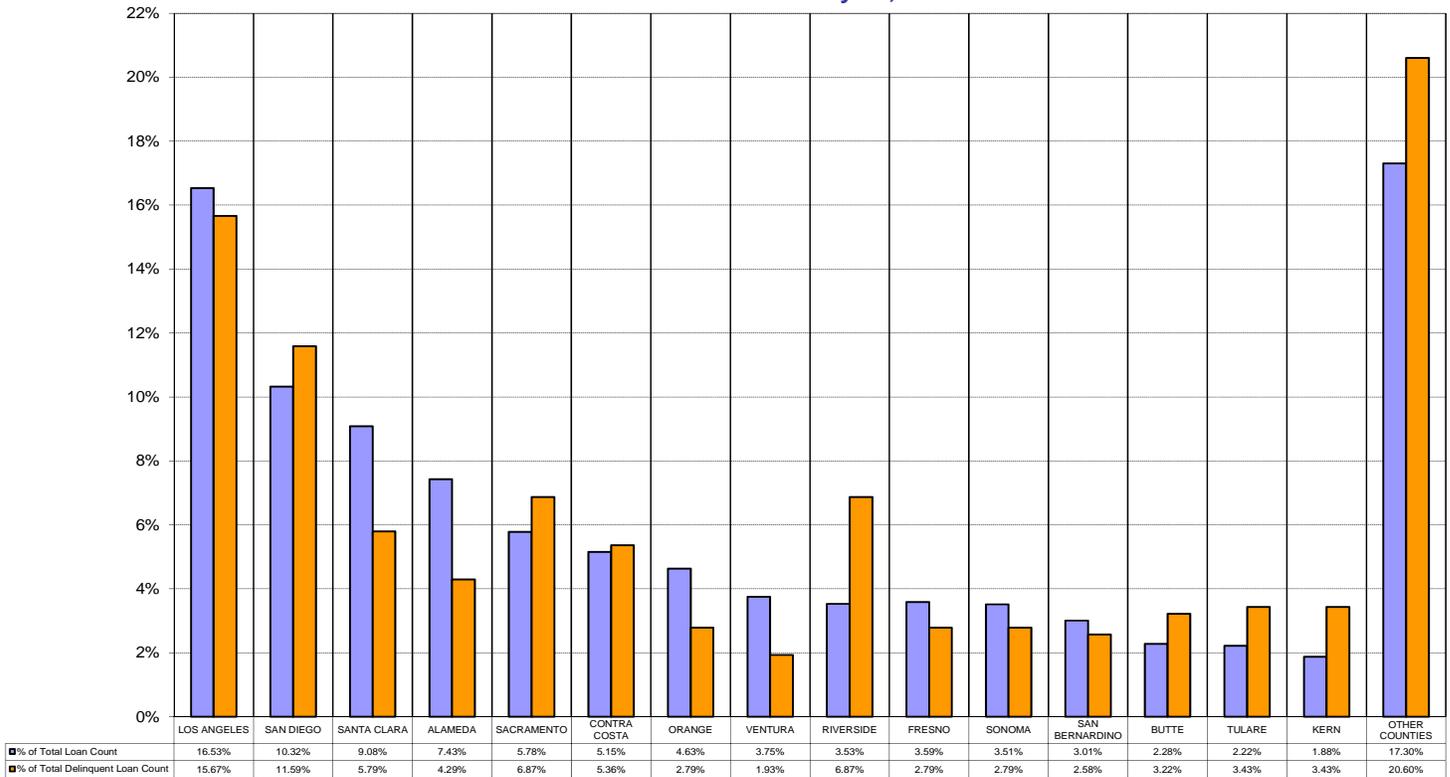
**CalHFA Conventional Loan Portfolio Performance Comparison by Servicer  
(% of Total Loan Count vs. % of Total Delinquent Loan Count)  
as of January 31, 2016**



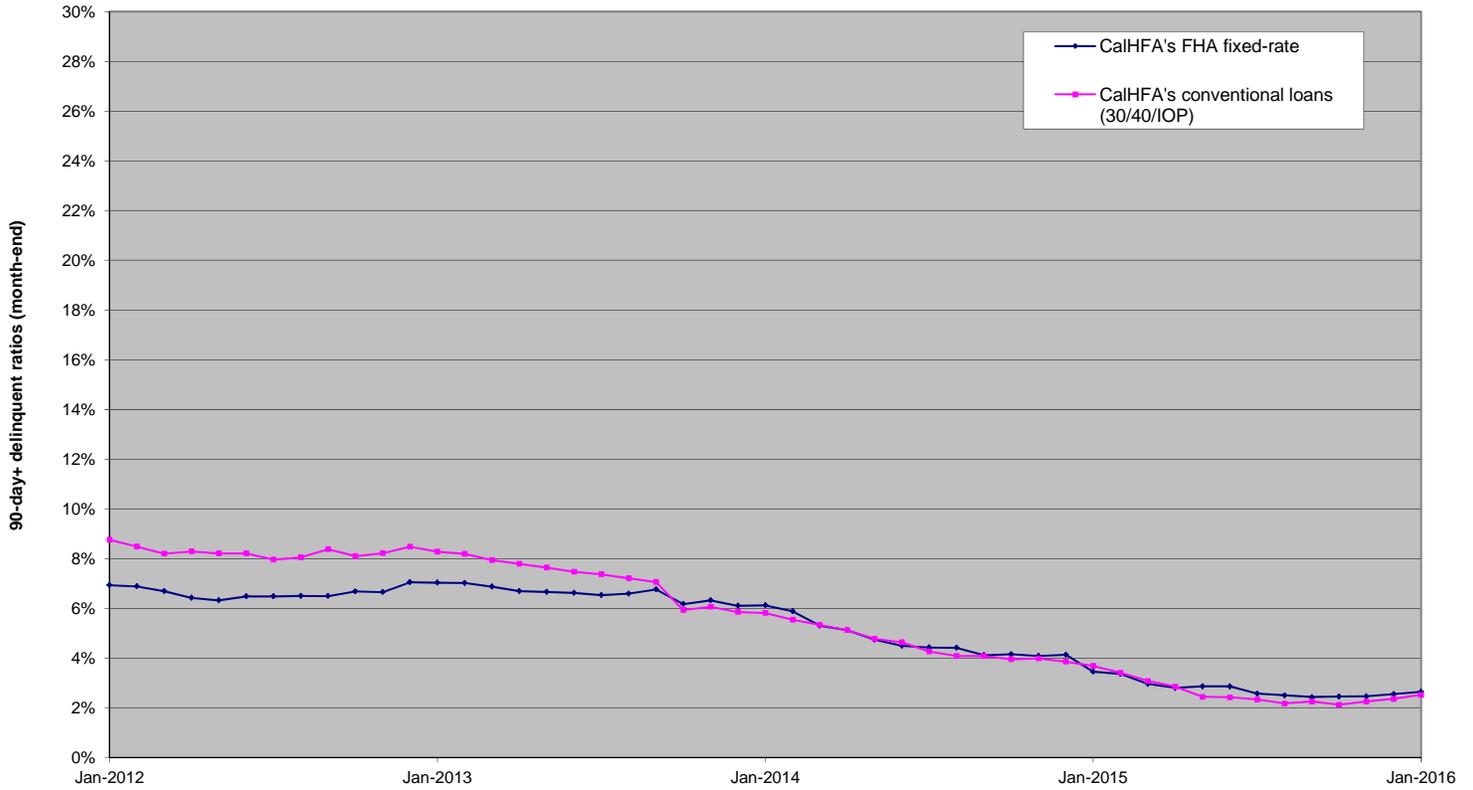
**CalHFA FHA Loan Portfolio Performance Comparison by County  
(% of Total Loan Count vs. % of Total Delinquent Loan Count)  
as of January 31, 2016**



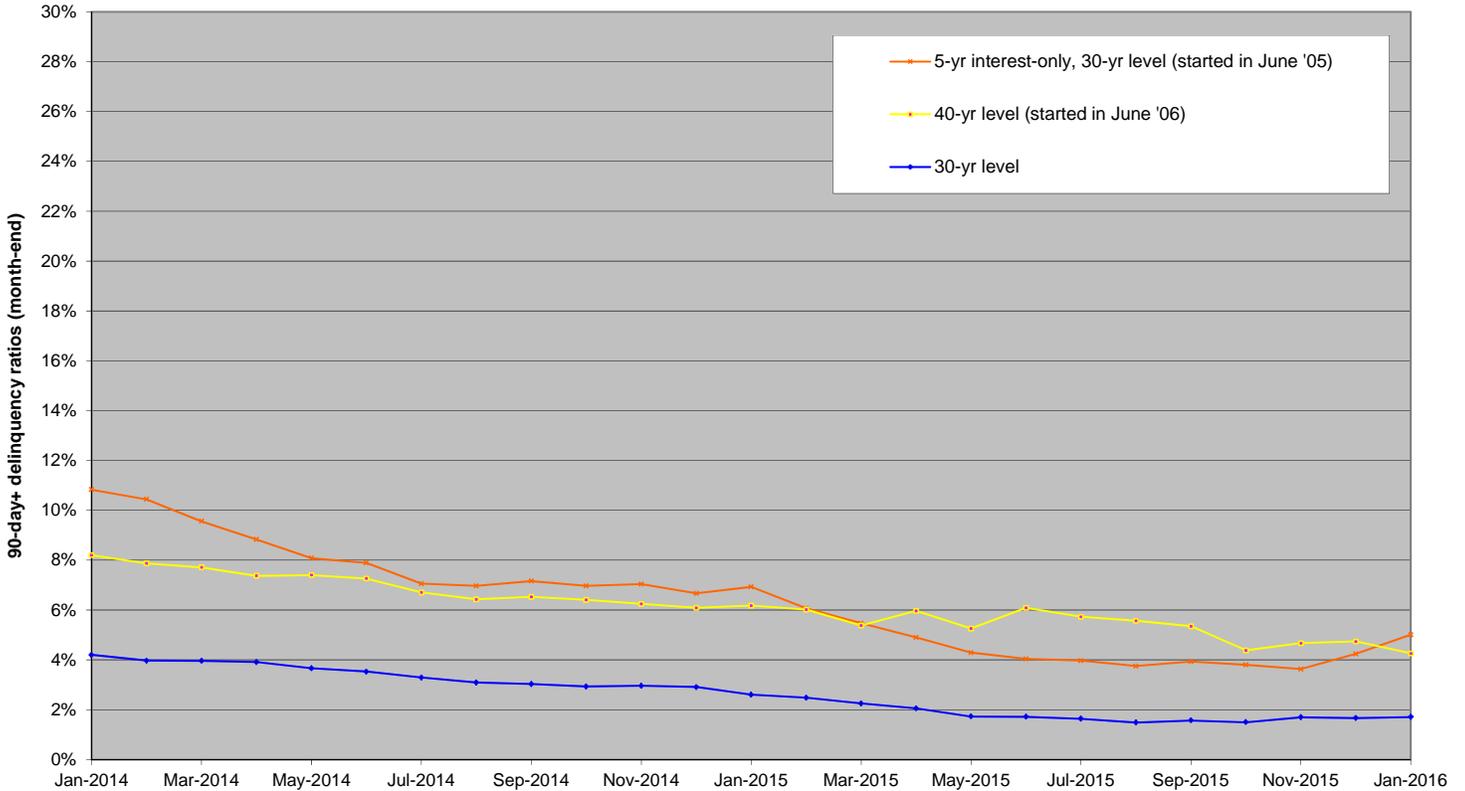
**CalHFA Conventional Loan Portfolio Performance Comparison by County  
(% of Total Loan Count vs. % of Total Delinquent Loan Count)  
as of January 31, 2016**



**90 day+ delinquent ratios for CalHFA's FHA and weighted average of all Conventional Loans**



**90 day+ delinquent ratios for CalHFA's Three Conventional Loan Types**

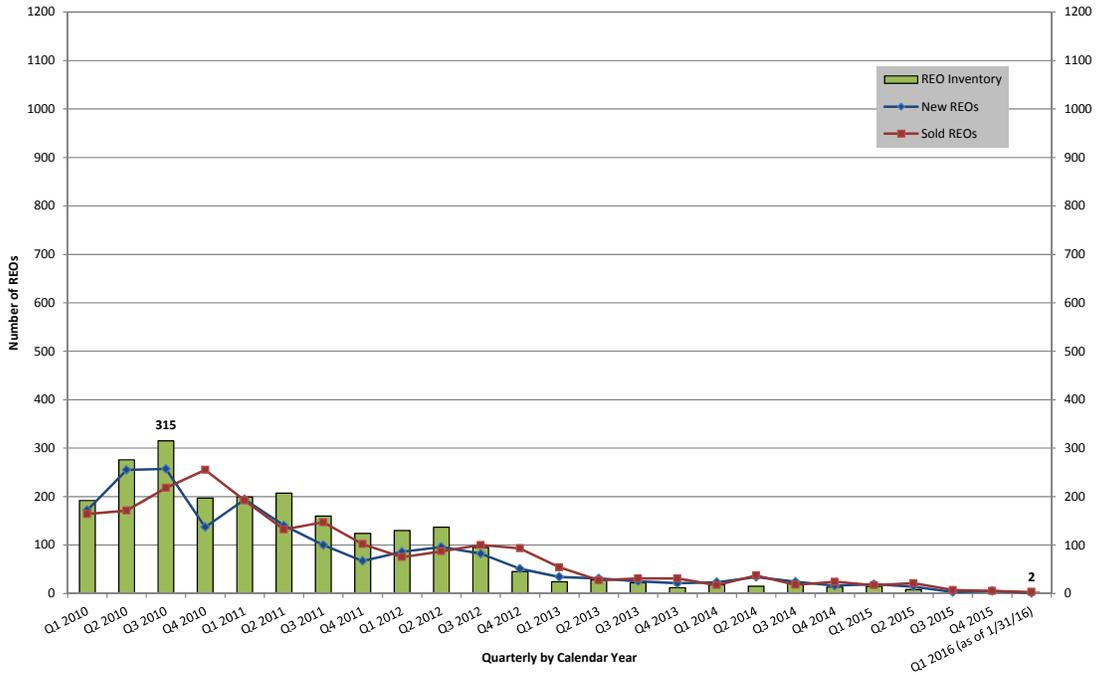


Real Estate Owned

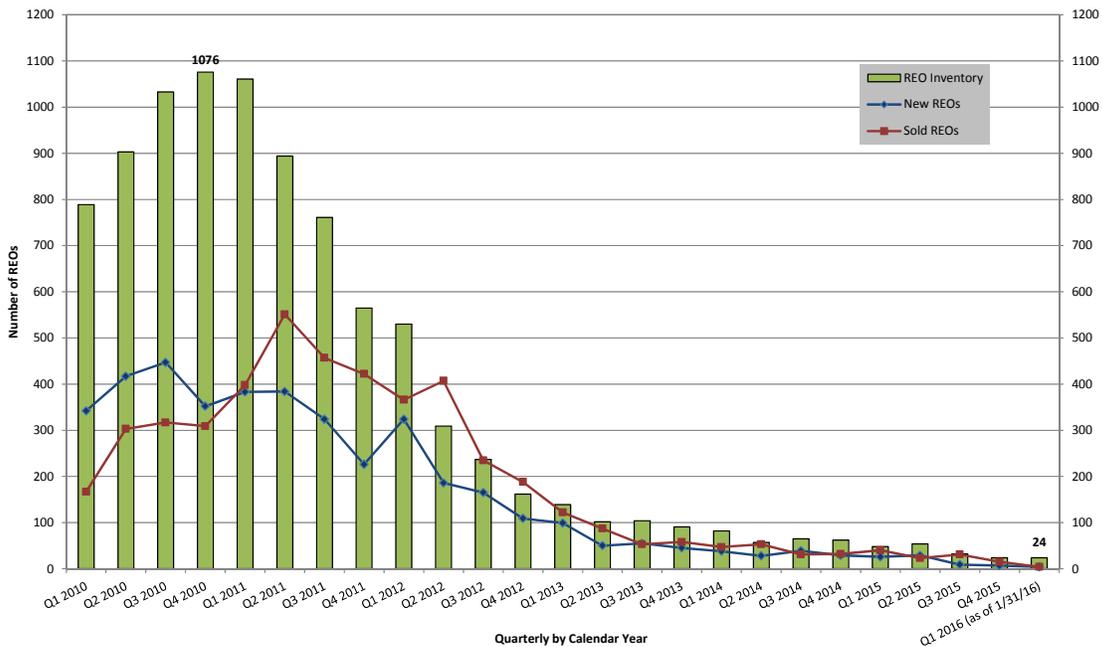
| Calendar Year 2016 (As of January 31, 2016) |                              |                     |                    |                            |                     |                       |                |                               |                        |                             |                           |                     |            |
|---|------------------------------|---------------------|--------------------|----------------------------|---------------------|-----------------------|----------------|-------------------------------|------------------------|-----------------------------|---------------------------|---------------------|------------|
| Loan Type                                   | Beginning Balance # of Loans | Prior Calendar Adj. | *Trustee Sales     |                            |                     | Disposition of REO(s) |                |                               |                        |                             | Ending Balance # of Loans | UPB of REO's Owned  |            |
|   |                              |                     | Reverted to CalHFA | Reverted to CalHFA January | Total Trustee Sales | Repurchased by Lender | Market Sale(s) | Repurchased by Lender January | Market Sale(s) January | Total Disposition of REO(s) |                           |                     |            |
| FHA/RHS/VA                                  | 4                            | 0                   |                    | 1                          | 1                   |                       |                |                               |                        |                             | 3                         | 2                   | \$ 431,161 |
| Conventional                                | 24                           | 0                   |                    | 4                          | 4                   |                       |                | 3                             |                        | 4                           | 4                         | 24                  | 5,031,602  |
| <b>Total</b>                                | <b>28</b>                    | <b>0</b>            | <b>0</b>           | <b>5</b>                   | <b>5</b>            | <b>0</b>              | <b>0</b>       | <b>3</b>                      | <b>4</b>               | <b>7</b>                    | <b>26</b>                 | <b>\$ 5,462,763</b> |            |

\*3rd party trustee sales are not shown in this table (title to these loans were never transferred to CalHFA). There were eight (8) 3rd party sales in calendar year 2008, eighteen (18) 3rd party sales in calendar year 2009, thirty nine (39) 3rd party sales in calendar year 2010, twenty two (22) 3rd party sales in calendar year 2011, forty one (41) 3rd party sales in calendar year 2012, fifty nine (59) 3rd party sales in calendar year 2013, forty three (43) 3rd party sales in calendar 2014, twenty-four (24) 3rd party sales in calendar 2015, and there are two (2) 3rd party sales to date 2016.

FHA REO Inventory



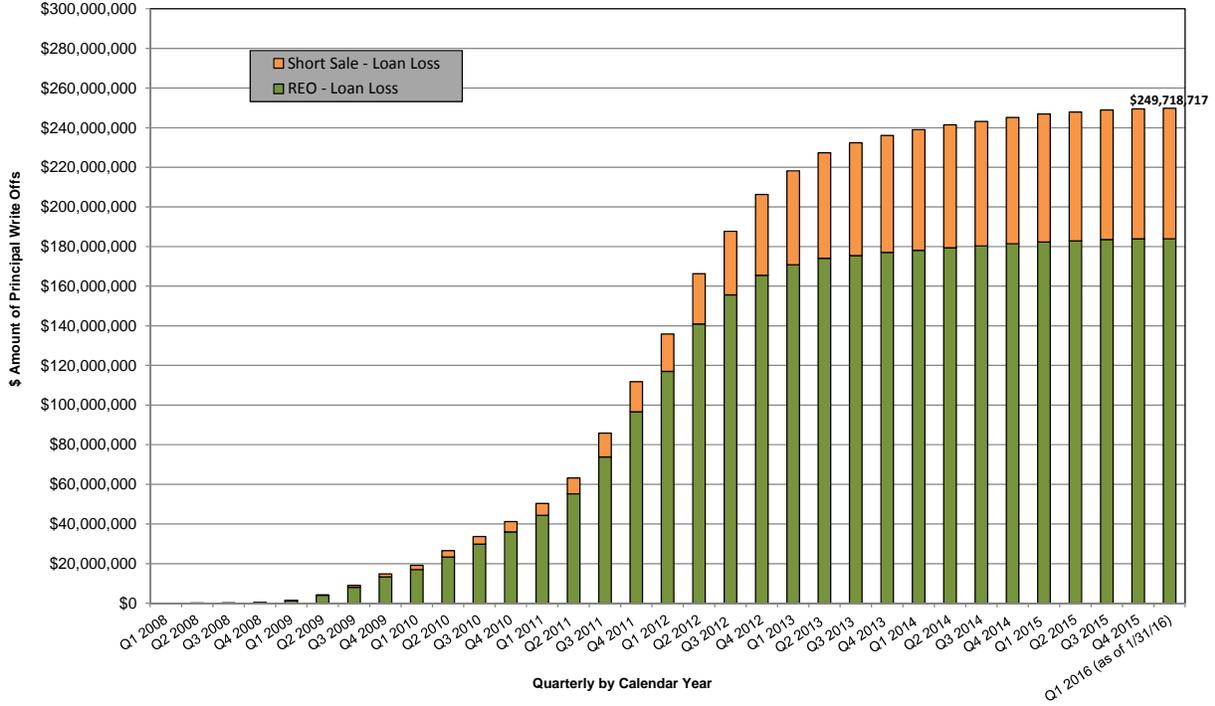
Conventional REO Inventory



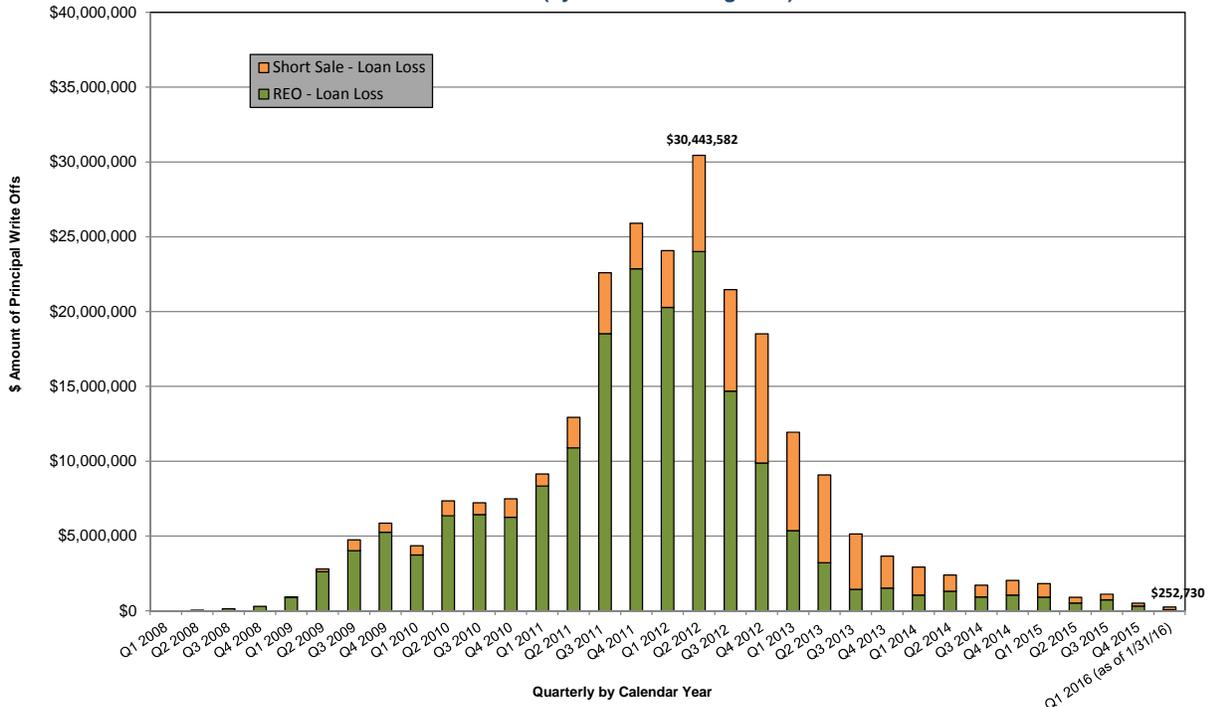
2016 Year to Date Composition of 1st Trust Deed Loss  
(As of January 31, 2016)

| Loan Type    | Disposition           |              |             |                       | Principal Write-Offs |
|--------------|-----------------------|--------------|-------------|-----------------------|----------------------|
|              | Repurchased by Lender | Market Sales | Short Sales | Loan Balance at Sales |                      |
| FHA/RHS/VA   | 3                     |              | 0           | \$ 232,211            |                      |
| Conventional |                       | 4            | 2           | 1,139,660             | \$ (252,730)         |
|              | 3                     | 4            | 2           | \$ 1,371,871          | \$ (252,730)         |

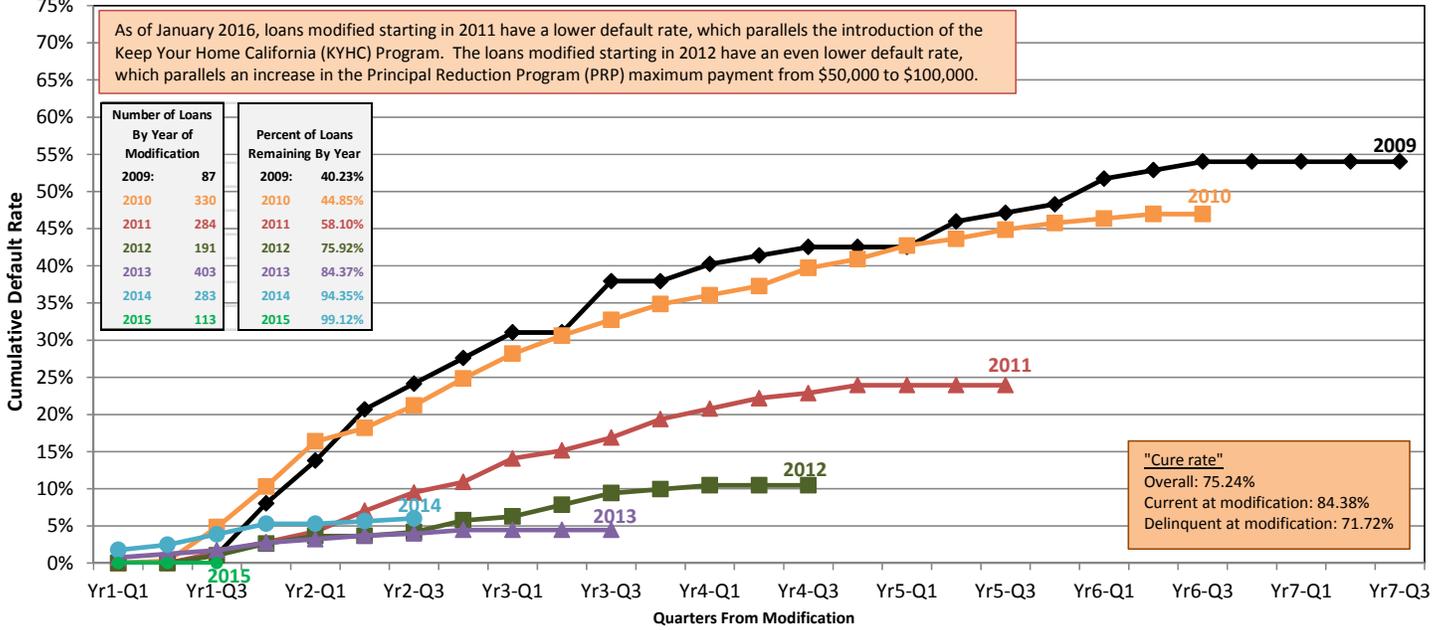
Accumulated Uninsured Loss from Sale of Conventional REOs & Short Sales  
(by Escrow Closing Date)



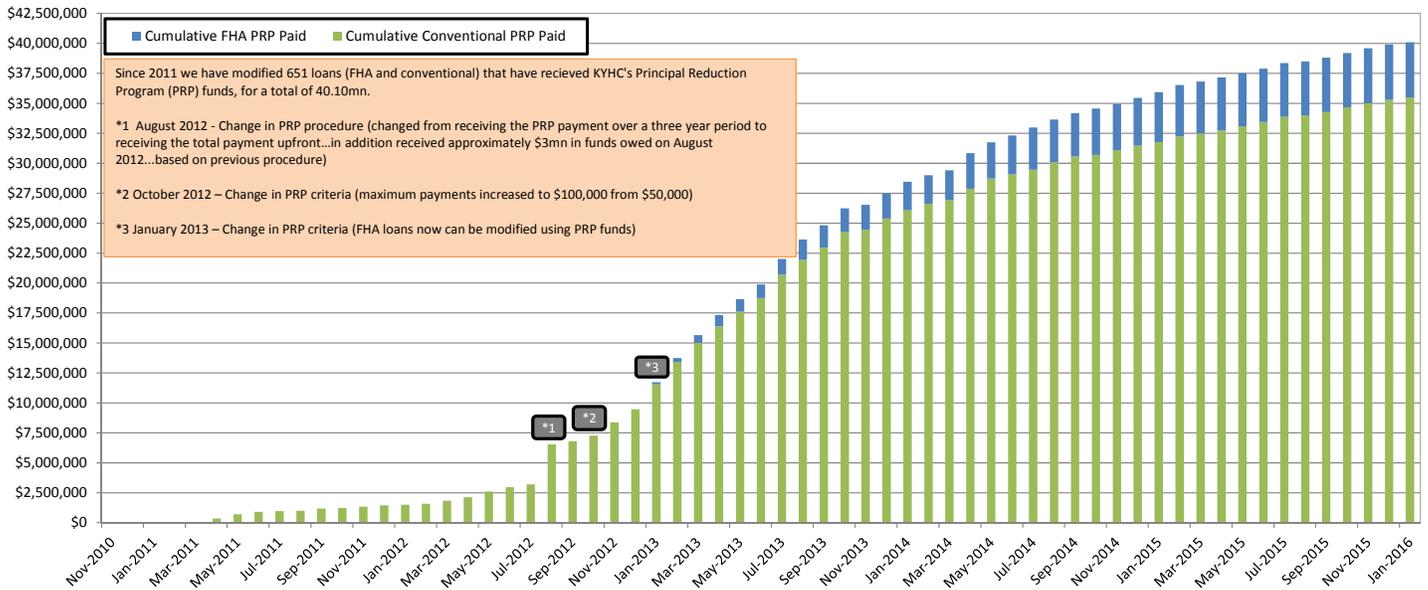
Comparison of Quarterly Uninsured Loss from Sale of Conventional REOs & Short Sales  
(by Escrow Closing Date)



Cumulative Default Rate For Conventional Modified Loans By Year of Modification



Cumulative Principal Reduction Payments (PRP) received from Keep Your Home California (KYHC)



State of California

## MEMORANDUM

**To:** Board of Directors

**Date:** February 29, 2016

**From:** Tony Sertich, Director of Multifamily Programs  
**California Housing Finance Agency ("CalHFA")**

**Subject: CalHFA Subsidy Fund Report**

At the July 14, 2015, CalHFA Board meeting, staff made a presentation regarding the implementation of the Agency's internal Subsidy Funds Policy, which included reporting to the Board in a timely manner projects receiving subsidy funds.

The source of these Agency funds are Earned Surplus, RHCP, and FAF Savings with allowable uses such as providing gap lending, obtaining deeper affordability, capital assistance for challenged portfolio loans, and as a financing tool to achieve lower cost of funds. In addition, uses of these funds are restricted to CalHFA 1<sup>st</sup> deed of trust loans and loans that do not take equity out of the project and limit developer fees.

As of February 29, 2016, the Agency has closed on two second deed of trust, Earned Surplus loans in the amount \$2,315,000. Additionally, \$2,200,000 in earned surplus funds has been allocated for a fully amortizing, first deed of trust project. In total, \$4,515,000 in subsidy funds have been allocated since July 1, 2015.

As of December, 31, 2015 there are \$108.9 million in subsidy funds available for use that have not yet been allocated to projects.

Following is a summary of uses of subsidy funds from July 1, 2015 to March 1, 2016:

### Closed Loans

#### Ocean View Apartments

|                        |  |
|------------------------|--|
| City -                 | Pacifica   |
| County -               | San Mateo  |
| Subsidy Funds Used -   | \$1,960,000  |
| Subsidy Fund Type -    | 2 <sup>nd</sup> lien loan  |
| Subsidy Source -       | Earned Surplus   |
| Loan Closing Date -    | October 22, 2015   |
| Project Units -        | 100  |
| Subsidy / Unit -       | \$19,600   |
| Loan Rate -            | 2.00%  |
| Loan Term -            | 55 years   |
| Loan Repayment -       | Residual receipts  |
| Policy Justification - | Ocean View Apartments was a CalHFA portfolio property in need of substantial rehabilitation. CalHFA provided the first lien loan on the project at market rates, but a gap loan was necessary to allow the project to cash flow. |

Virginia Terrace

|                        |   |
|------------------------|---|
| City -                 | Barstow   |
| County -               | San Bernardino  |
| Subsidy Funds Used -   | \$355,000   |
| Subsidy Fund Type -    | 2 <sup>nd</sup> lien loan   |
| Subsidy Source -       | Earned Surplus  |
| Loan Closing Date -    | August 31, 2015   |
| Project Units -        | 76  |
| Subsidy / Unit -       | \$4,671   |
| Loan Rate -            | 2.50%   |
| Loan Term -            | 55 years  |
| Loan Repayment -       | Residual receipts   |
| Policy Justification - | Virginia Terrace was provided a CalHFA first lien loan at market rates, but a gap loan was necessary to allow the project to cash flow after interest rates increased after Board approval. |

Loan AllocationsRiver Community Homes

|                          |   |
|--------------------------|---|
| City -                   | Arcata  |
| County -                 | Humboldt  |
| Subsidy Funds Used -     | \$2,200,000   |
| Subsidy Fund Type -      | 1 <sup>st</sup> lien loan   |
| Subsidy Source -         | Earned Surplus  |
| Estimated Closing Date - | March 31, 2016  |
| Project Units -          | 40  |
| Subsidy / Unit -         | \$55,000  |
| Loan Rate -              | 4.75% (estimated)   |
| Loan Term -              | 30 years  |
| Loan Repayment -         | Amortizing from cash flow   |
| Policy Justification -   | River Community Homes is a small CalHFA portfolio project in need of rehabilitation. The size of the loan makes it inefficient to issue bonds, so it will be funded using Earned Surplus. |

## M E M O R A N D U M

To: CalHFA Board of Directors Date: February 29, 2016

From: Di Richardson, Director of Legislation   
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Legislative Report

This year is shaping up to be a very interesting year for housing. There is significant interest from both houses of the Legislature to provide some much needed funding to housing programs. The year started with an announcement from the Senate Pro Tem of the No Place Like Home Initiative, which would use a percentage of the revenues from Proposition 63 to repay bonds that would be issued to finance housing for the chronically homeless mentally ill. No details or specific language have been released yet. The Assembly has also been discussing providing additional funding for housing programs, especially supportive, farmworker and workforce housing. We expect most of these discussions to take place in Budget Committees, which have already started meeting on many of these topics. In addition, there were a lot of new bills introduced this past month that would further impact the availability of affordable housing. We are still working our way through those bills, many of which are placeholders at this point. As always, if you have any questions, I'm happy to provide any additional information I may have.

---

Affordable Housing

---

AB 2031 (Bonta D) Local government: affordable housing: financing.  
Status: 2/17/2016-From printer. May be heard in committee March 18.  
Location: 2/16/2016-A. PRINT  
Summary: Would state the intent of the Legislature to enact legislation that would allow local governments to provide additional funding for affordable housing.

AB 2208 (Santiago D) Public building construction and seismic retrofit: additional affordable housing structures or levels.  
Status: 2/19/2016-From printer. May be heard in committee March 20.  
Location: 2/18/2016-A. PRINT  
Summary: Would require, before constructing, including seismic retrofitting, a public building with state funds, the State Public Works Board to sell the air rights above the public building to a private or nonprofit developer to construct affordable housing above the public building. The bill would also require the public works contract to construct the public building to include provisions that require the building to be constructed or retrofitted to accommodate additional structures or levels that may be added by a private or nonprofit developer to provide affordable housing.

AB 2281 (Calderon D) Housing assistance.

Status: 2/19/2016-From printer. May be heard in committee March 20.

Location: 2/18/2016-A. PRINT

Summary: Would state the intent of the Legislature to enact legislation that would provide sellers of homes incentives to sell to families who intend to use the homes as their residences, in order to help California families compete in the residential real estate market. The bill would also state the intent of the Legislature to enact legislation that would streamline the residential home buying purchases of people who are first-time home buyers and those who use conventional mortgages.

AB 2282 (Calderon D) Rental housing: local limits.

Status: 2/19/2016-From printer. May be heard in committee March 20.

Location: 2/18/2016-A. PRINT

Summary: The Planning and Zoning Law requires cities and counties to prepare and adopt a general plan for their jurisdictions that contains certain mandatory elements, including a housing element. Current law requires the housing element to include, among other things, an inventory of land suitable for residential development and make adequate provision for the existing and projected needs of all economic segments of the community. This bill would require that, on and after January 1, 2017, the number of single family dwellings that are used more than intermittently as rental properties be limited to an unspecified percent age of the total number of single family dwellings in the relevant postal ZIP Code area.

AB 2283 (Calderon D) Public retirement system: investments: securitized rental homes.

Status: 2/19/2016-From printer. May be heard in committee March 20.

Location: 2/18/2016-A. PRINT

Summary: Would require the Teachers' Retirement Board and the Board of Administration of the Public Employees' Retirement System, consistent with their fiduciary duties, on and after January 1, 2017, to cease investing in securitized home rental properties. The bill would define securitized home rental properties as single-family homes in California used as rental properties that are aggregated, either with properties in California or elsewhere, with the resulting income from the properties funding publicly traded investment products.

AB 2319 (Gordon D) California Infrastructure and Economic Development Bank.

Status: 2/19/2016-From printer. May be heard in committee March 20.

Location: 2/18/2016-A. PRINT

Summary: Would expand the authority of the California Infrastructure and Economic Development Bank by adding affordable housing, as defined, to the types of projects to which the bank is authorized to provide financial assistance. By expanding the bank's authority to expend funds in a continuously appropriated fund, the bill would make an appropriation..

- AB 2388 (Gipson D) Local government: housing: ownership.  
Status: 2/19/2016-From printer. May be heard in committee March 20.  
Location: 2/18/2016-A. PRINT  
Summary: Current law establishes priorities and procedures that any state agency disposing of that surplus residential property is required to follow. This bill, on or before January 1, 2018, would require every local government agency, as defined, to adopt a mortgage program that, among other things, allocates 10% of all single-family residences that the local government agency owns and leases to become eligible for purchase by tenants presently occupying the single-family residence.
- AB 2475 (Gordon D) Loan program: California Infrastructure and Economic Development Bank.  
Status: 2/22/2016-Read first time.  
Location: 2/19/2016-A. PRINT  
Summary: Would state the intent of the Legislature to enact legislation to establish a forgivable loan program, administered by the California Infrastructure and Economic Development Bank, for local governments that provide matching funds for affordable housing projects that assist in meeting the goals of their region's sustainable community strategy (SCS) and the California Global Warming Solutions Act of 2006.
- AB 2734 (Atkins D) Local Control Affordable Housing Act.  
Status: 2/22/2016-Read first time.  
Location: 2/19/2016-A. PRINT  
Summary: Would establish the Local Control Affordable Housing Act to require the Department of Finance, on or before \_\_\_\_ and on or before the same date each year thereafter, to determine the state General Fund savings for the fiscal year as a result of the dissolution of redevelopment agencies. The bill would provide that, upon appropriation, 50% of that amount be allocated to the Department of Housing and Community Development to provide funding to local agencies for housing purposes.
- SB 1413 (Leno D) School districts: school property: lease for employee housing.  
Status: 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.  
Location: 2/19/2016-S. PRINT  
Summary: Current law authorizes the governing board of any school district to sell or lease any real property, together with any personal property located on the real property, belonging to the school district which is not or will not be needed by the school district for school classroom buildings at the time of delivery of title or possession. This bill would authorize a school district to lease property owned by the school district for purposes of developing and providing housing to employees of the school district.

---

Bond Acts

---

- AB 2830 (Salas D) Public bodies: bonds.  
Status: 2/22/2016-Read first time.  
Location: 2/19/2016-A. PRINT  
Summary: Current law requires the interest on bonds of a public body to be payable at the times established in the resolution, indenture, agreement, or other instrument providing for the issuance of bonds, and authorizes the governing body of a public body to authorize the issuance of bonds pursuant to a resolution, indenture, agreement, or other instrument providing for the issuance of bonds. Current law defines the terms "bonds," "public body," and "governing body" for purposes of these provisions.
- SB 879 (Beall D) Housing: bond act.  
Status: 1/28/2016-Referred to Com. on RLS.  
Location: 1/28/2016-S. RLS.  
Summary: Would state the intent of the Legislature to enact legislation that would authorize the issuance of bonds and would require the proceeds from the sale of these bonds to be used to finance housing related programs that serve the homeless and extremely low income and very low income Californians.
- SB 1403 (Glazer D) Housing bonds.  
Status: 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.  
Location: 2/19/2016-S. PRINT  
Summary: Current law, the Housing and Emergency Shelter Trust Fund Act of 2006, authorizes the issuance of bonds to finance various housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, housing-related parks, and transit-oriented development programs. This bill would state the intent of the Legislature to enact legislation that would authorize the issuance of bonds to finance the development of affordable housing.

---

Building Standards/Codes

---

- AB 2685 (Lopez D) Housing standards.  
Status: 2/22/2016-Read first time.  
Location: 2/19/2016-A. PRINT  
Summary: The State Housing Law prescribes requirements for buildings used for human

habitation. This bill would state the intent of the Legislature to enact legislation relating to the regulation of buildings used for human habitation.

---

CalHFA

---

AB 2280 (Ridley-Thomas D) California Housing Finance Agency: program eligibility requirements: changes.  
Status: 2/19/2016-From printer. May be heard in committee March 20.  
Location: 2/18/2016-A. PRINT  
Summary: Would generally prohibit the California Housing Finance Agency from changing the eligibility requirements for a housing or lending program that the agency administers without providing a lender or other party participating in the program notice of the change at least 5 business days prior to the change taking effect. The bill would require the notice to be provided by a program bulletin and that the program bulletin be posted on the agency's Internet Web site.

---

CEQA

---

AB 1500 (Maienschein R) Planning and zoning: housing element: supportive housing and transitional housing.  
Last Amend: 1/13/2016  
Status: 2/4/2016-Referred to Com. on T. & H.  
Location: 2/4/2016-S. T. & H.  
Summary: Would authorize a city or county to additionally include in its assessment and inventory the identification of supportive housing and transitional housing, as those terms are defined in specified statutes. If a local government elects to include this identification in its assessment and inventory, the bill would impose certain requirements, including that the identified zone or zones include sufficient capacity to accommodate the need for supportive housing or transitional housing, that the local government demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of supportive housing or transitional housing.

AB 2356 (Gomez D) California Environmental Quality Act: housing projects.  
Status: 2/19/2016-From printer. May be heard in committee March 20.  
Location: 2/18/2016-A. PRINT

Summary: Current law, the California Environmental Quality Act, requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment, as defined, or to adopt a negative declaration if it finds that the project will not have that effect, unless the project is exempt from the act. This bill would make technical, nonsubstantive changes to those provisions..

---

### Contracts

---

AB 1029 (Frazier D) Veterans: service providers.

Last Amend: 5/18/2015

Status: 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 6/24/2015)

Location: 8/28/2015-S. 2 YEAR

Summary: Would allow entities meeting specified requirements to apply to the Department of Veterans Affairs to become certified California veteran service providers. The bill would require the department to maintain a list of certified California veteran service providers on its Internet Web site, including the type of supportive services provided by the providers. The bill would require that certification would remain valid for 3 years unless the entity is decertified by the department.

---

### Density Bonus

---

AB 1934 (Santiago D) Planning and zoning: density bonuses.

Status: 2/25/2016-Referred to Coms. on H. & C.D. and L. GOV.

Location: 2/25/2016-A. H. & C.D.

Summary: Current law requires continued affordability for 55 years or longer, as specified, of all very low and low-income units that qualified an applicant for a density bonus. Current law defines the term "housing development" for these purposes to mean a development project for 5 or more residential units, as specified. This bill would specify that for these purposes the term "housing development" may include a mixed-use project or a commercial development with a housing component.

AB 2501 (Bloom D) Housing: density bonuses.

Status: 2/22/2016-Read first time.

Location: 2/19/2016-A. PRINT

Summary: Current law requires continued affordability for 55 years or longer, as specified, of all very low and low-income units that qualified an applicant for a density bonus. This bill would require the local government to make a written determination on whether the applicant's application is complete within 30 calendar days of receipt, and to make the determination on an application for a density bonus within 60 calendar days of receipt of a completed application.

AB 2556 (Nazarian D) Housing density bonus.

Status: 2/22/2016-Read first time.

Location: 2/19/2016-A. PRINT

Summary: Would declare the intent of the Legislature to enact legislation relating to housing density bonuses.

---

#### Farmworker Housing

---

AB 2140 (Hernández, Roger D) Income taxes: insurance tax: credits: low-income housing: farmworker housing assistance.

Status: 2/18/2016-From printer. May be heard in committee March 19.

Location: 2/17/2016-A. PRINT

Summary: Would authorize the California Tax Credit Allocation Committee to allocate the farmworker housing credit even if the taxpayer receives federal credits for buildings located in designated difficult development areas or qualified census tracts. The bill would also redefine farmworker housing to mean housing for agricultural workers that is available to, and occupied by, not less than 50% of farmworkers and their households.

---

#### Fees

---

AB 1804 (Melendez R) Land use: development fees.

Status: 2/9/2016-From printer. May be heard in committee March 10.

Location: 2/8/2016-A. PRINT

Summary: The Mitigation Fee Act requires a local agency that establishes, increases, or imposes a fee as a condition of approval of a development project to, among other things, determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. This bill would make nonsubstantive changes to that provision.

---

Homeless

---

AB 870 (Cooley D) Homelessness: rapid rehousing.  
Last Amend: 9/1/2015  
Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/9/2015)  
Location: 9/11/2015-S. 2 YEAR  
Summary: Would require the Department of Housing and Community Development to establish, upon appropriation of funds in the annual Budget Act, an enhancement program for awarding grants to counties and private nonprofit organizations that operate a rapid rehousing program. The bill would require the department to develop guidelines to select 4 counties and private nonprofit organizations to receive these grant funds and require that eligible counties and private nonprofit organizations include those that are eligible to receive funds from the state pursuant to the Emergency Solutions Grants Program with a demonstrated high funding need.

AB 1915 (Santiago D) Homelessness: affordable housing.  
Status: 2/12/2016-From printer. May be heard in committee March 13.  
Location: 2/11/2016-A. PRINT  
Summary: Under current law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, veteran housing, home ownership for very low and low-income households, and downpayment assistance for first-time homebuyers. This bill would state the intent of the Legislature to enact legislation that would reduce homelessness and increase the availability of affordable housing.

SB 1380 (Mitchell D) Homelessness: coordinating council.  
Status: 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.  
Location: 2/19/2016-S. PRINT  
Summary: Current law establishes various programs, including, among others, the Emergency Housing and Assistance Program, to provide assistance to homeless persons. This bill would declare the intent of the Legislature to enact legislation to establish a coordinating council on homelessness.

---

Land Use Planning

---

AB 2060 (Steinorth R) Land use: housing.  
Status: 2/18/2016-From printer. May be heard in committee March 19.

Location: 2/17/2016-A. PRINT

Summary: The Planning and Zoning Law requires each city, county, and city and county to prepare and adopt a general plan that contains certain mandatory elements, including, but not limited to, a housing element that analyzes current and projected housing needs. Current law includes various legislative findings and declarations related to the statewide importance of housing availability and the responsibility of state and local government to address regional housing needs. This bill would make technical, nonsubstantive changes to that provision.

AB 2299 (Bloom D) Land use: housing: 2nd units.

Status: 2/19/2016-From printer. May be heard in committee March 20.

Location: 2/18/2016-A. PRINT

Summary: The Planning and Zoning Law authorizes the legislative body of a city or county to regulate, among other things, the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones, as specified. This bill would, instead, require a local agency to provide by ordinance for the creation of 2nd units in these zones. By increasing the duties of local officials, this bill would impose a state-mandated local program.

AB 2406 (Thurmond D) Housing: junior accessory dwelling units.

Status: 2/22/2016-Read first time.

Location: 2/19/2016-A. PRINT

Summary: Would authorize a local agency to provide by ordinance for the creation of junior accessory dwelling units, as defined, in single-family residential zones. The bill would require the ordinance to include, among other things, standards for the creation of a junior accessory dwelling unit, required deed restrictions, and occupancy requirements. The bill would prohibit an ordinance from requiring, as a condition of granting a permit, water and sewer connection fees, additional parking, or fire sprinklers or fire attenuation requirements.

AB 2502 (Mullin D) Land use: zoning regulations.

Status: 2/22/2016-Read first time.

Location: 2/19/2016-A. PRINT

Summary: The Planning and Zoning Law authorizes the legislative body of any city, county, or city and county, to adopt ordinances regulating zoning within its jurisdiction, as specified. This bill would additionally authorize the legislative body of any city, county, or city and county to adopt ordinances to establish, as a condition of development, inclusionary housing requirements, as specified, and would declare the intent of the Legislature in adding this provision.

AB 2584 (Daly D) Land use: housing development.

Status: 2/22/2016-Read first time.

Location: 2/19/2016-A. PRINT

Summary: The Housing Accountability Act, among other things, prohibits a local agency from disapproving a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes specified written findings. The act authorizes an applicant or person who would be eligible to apply for residency in the development or emergency shelter to bring an action to enforce the act. This bill would authorize an entity that represents a housing provider or a person who would be eligible to apply for residency to bring an action to enforce the act.

SB 1069 (Wieckowski D) Land use: zoning.

Status: 2/25/2016-Referred to Com. on RLS.

Location: 2/25/2016-S. RLS.

Summary: The Planning and Zoning Law authorizes the legislative body of a city or county to regulate, among other things, the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones, as specified. That law makes findings and declarations with respect to the value of 2nd units to California's housing supply. This bill would add to those findings and declarations that allowing 2nd units in single-family or multifamily residential zones provides additional rental housing stock in California.

---

#### Landlord/Tenant/Rent Control

---

SB 1053 (Leno D) Housing discrimination: applications.

Status: 2/25/2016-Referred to Com. on JUD.

Location: 2/25/2016-S. JUD.

Summary: Current law generally prohibits housing discrimination with respect to various personal characteristics including source of income. Current law defines "source of income" for these purposes as lawful, verifiable income paid directly to a tenant or paid to a representative of a tenant, which does not include a landlord. This bill would amend the definition of "source of income" to also include specified federal, state, or local housing assistance or subsidies paid either to the tenant or directly to the landlord on behalf of the tenant.

---

#### Mortgage Lending

---

AB 2391 (Steinorth R) Residential property: possession by declaration.

Status: 2/19/2016-From printer. May be heard in committee March 20.

Location: 2/18/2016-A. PRINT

Summary: Until January 1, 2018, current law permits an owner of specified residential property in the Cities of Palmdale and Lancaster in the County of Los Angeles or the City of Ukiah in the County of Mendocino to register vacant real property with the local law enforcement agency and to execute a Declaration of Ownership of Residential Real Property that may be filed with the local law enforcement agency of the jurisdiction in which the property is located. Current law requires the local law enforcement agency with which the property is registered to respond as soon as practicable after being notified that an unauthorized person has been found on the property. This bill would repeal the January 1, 2018, sunset date for these provisions.

SB 1150 (Leno D) Mortgages and deeds of trust: mortgage servicers and lenders: successors in interest.

Status: 2/19/2016-From printer. May be acted upon on or after March 20.

Location: 2/18/2016-S. PRINT

Summary: Would prohibit a mortgage servicer or lender, as defined, upon notification that a borrower has died, from recording a notice of default for at least 30 days after requesting reasonable documentation of the death of the borrower from the successor in interest, as defined.

SB 1391 (Bates R) Common interest developments.

Status: 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.

Location: 2/19/2016-S. PRINT

Summary: Current law, the Davis-Stirling Common Interest Development Act, defines and regulates common interest developments. Current law authorizes a homeowners association to place a lien on a property and to take specified enforcement actions to satisfy outstanding dues or assessments owed on a property in the development.

---

## Redevelopment

---

AB 2697 (Bonilla D) Redevelopment dissolution: successor agencies: disposal of assets and properties.

Status: 2/22/2016-Read first time.

Location: 2/19/2016-A. PRINT

Summary: Would require a successor agency, prior to the disposal of land of the former redevelopment agency, to send a written offer to sell for the purposes of developing low- and moderate-income housing to any local public entity within whose jurisdiction the land is located, as specified. The bill would additionally require the sale of land of the former redevelopment agency to be subject to certain requirements relating to affordable housing.

---

Tax Credits

---

- AB 1920 (Chau D) California Tax Credit Allocation Committee: low-income housing credit: fines.  
Status: 2/25/2016-Referred to Coms. on H. & C.D. and REV. & TAX.  
Location: 2/25/2016-A. H. & C.D.  
Summary: Current law authorizes the California Tax Credit Allocation Committee to make any allocation or reservation of the state's housing credit ceiling to a housing credit applicant subject to specified terms and conditions. This bill would authorize the committee to establish a specified schedule of fines for violations of the terms and conditions, the regulatory agreement, covenants, or program regulations. The bill would require these fines to be deposited in the Housing Rehabilitation Loan Fund and would authorize the committee to record a property lien if the fine has not been paid within a specified period of time.
- AB 2140 (Hernández, Roger D) Income taxes: insurance tax: credits: low-income housing: farmworker housing assistance.  
Status: 2/18/2016-From printer. May be heard in committee March 19.  
Location: 2/17/2016-A. PRINT  
Summary: Would authorize the California Tax Credit Allocation Committee to allocate the farmworker housing credit even if the taxpayer receives federal credits for buildings located in designated difficult development areas or qualified census tracts. The bill would also redefine farmworker housing to mean housing for agricultural workers that is available to, and occupied by, not less than 50% of farmworkers and their households. .
- AB 2817 (Chiu D) Income taxes: credits: low-income housing: allocation increase.  
Status: 2/22/2016-Read first time.  
Location: 2/19/2016-A. PRINT  
Summary: Would, for calendar years 2017 through 2022, inclusive, increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$100,000,000, as specified. The bill, under the insurance taxation law, the Personal Income Tax Law, and the Corporation Tax Law, would modify the definition of applicable percentage relating to qualified low-income buildings that meet specified criteria. .
- AB 2842 (Thurmond D) Personal income tax: credits.  
Status: 2/22/2016-Read first time.  
Location: 2/19/2016-A. PRINT  
Summary: The Personal Income Tax Law authorizes various credits against the taxes imposed by that law. This bill would express the intent of the Legislature to enact legislation that would create a new tax credit for working individuals.

- SB 873 (Beall D) Income taxes: insurance taxes: credits: low-income housing: sale of credit.  
Status: 2/24/2016-Set for hearing March 16.  
Location: 1/28/2016-S. GOV. & F.  
Summary: Would, beginning on or after January 1, 2016, allow a taxpayer that is allowed a low-income housing tax credit to elect to sell all or a portion of that credit to one or more unrelated parties, as described, for each taxable year in which the credit is allowed for not less than 80% of the amount of the credit to be sold, and would provide for the one-time resale of that credit, as provided. The bill would require the California Tax Credit Allocation Committee to enter into an agreement with the Franchise Tax Board to pay any costs incurred by the Franchise Tax Board in administering these provisions.
- SB 1267 (Allen D) Low-income housing credit: annual report.  
Status: 2/19/2016-From printer. May be acted upon on or after March 20.  
Location: 2/18/2016-S. PRINT  
Summary: Current requires the California Tax Credit Allocation Committee to submit an annual report to the Legislature containing specified information regarding its activities that includes, among other things, the total amount of low-income housing credits allocated by the committee. This bill would expand the reporting requirements of the committee to additionally include the total number of projects assisted by the credit per county during the previous calendar year.

**THIS PAGE  
INTENTIONALLY  
LEFT BLANK**