



BOARD OF DIRECTORS

*Video Conference Meeting of the
California Housing Finance Agency
Board of Directors*

July 13, 2016

Video Conference Locations:

California Housing Finance Agency
500 Capitol Mall, Suite 1400
Main Conference Room
Sacramento, CA 95814

and

California Housing Finance Agency
100 Corporate Pointe, Suite 250
Conference Room
Culver City, CA 90230

10:00 a.m.

1. Roll Call.
2. Chairman/Executive Director comments.
3. Approval of the minutes of the May 17, 2016 Board of Directors meeting.1
4. Closed session under Government Code section 11126(e)(1)(A); to confer with and receive advice from legal counsel regarding pending litigation MortgageFlex Systems, Inc. v. CalHFA; Sacramento Superior Court Case No. 34-2014-00164768. (Victor James & Michael Weed)
5. Discussion, recommendation and possible action regarding the adoption of a resolution authorizing the Agency to enter into certain agreements with the Federal Home Loan Bank of San Francisco to provide Agency a secured credit facility for financing lending programs. (Tim Hsu)
Resolution No. 16-135

6. Reports:

A. Finance Reports:

- 1. Report of Single Family Home Mortgage Revenue Bonds, 2016 Series A, Taxable Refunding27
- 2. Standard & Poor’s Upgrade of Home Mortgage Revenue Bond Indenture to AA- from A29
- 3. Final Update of Multifamily conduit issuances and pipeline in FY 2015-2016.....31
- 4. Update on Homeownership Loan Portfolio33

B. Legislative Update43

7. Public Testimony: Discussion only of other matters to be brought to the Board’s attention.

8. Adjournment.

9. Handouts.

NOTES**

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

FUTURE MEETING DATE: Next CalHFA Board of Directors Meeting will be September 14, 2016 at the Department of Consumer Affairs, 1625 North Market Blvd., (1st Floor South, #102), Sacramento, CA.

CalHFA Board of Directors
Minutes of Meeting Held May 17, 2016

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4 The regular meeting of the California Housing Finance Agency Board of Directors was held on
5 the above date at the Department of Consumer Affairs, the Chairman and the Secretary being
6 present. The meeting opened at 10:07 a.m.
7

8 Agenda item 1: Roll call was taken and the following Board Members were present: Tim
9 Schaefer for Treasurer Chiang, Dr. Vito Imbasciani, Michael Gunning, Jonathan Hunter, Ben
10 Metcalf, Peter Williams for Acting Secretary Podesta, Dalila Sotelo, Stephen Russell, Eraina
11 Ortega for Michael Cohen, Tia Boatman Patterson and Janet Falk. Board members AnaMarie
12 Avila Farias and Eileen Gallagher joined the meeting following the first vote of the March 15,
13 2016 minutes. (Board members present: 13.)
14

15 Chairman, Janet Falk, reminded the Board members that since we are now video recording the
16 Board meetings and it will be searchable by name, to please raise your hand and state your name.
17 She introduced Board members as follows: Secretary of Veterans Affairs, Dr. Vito Imbasciani
18 and General Counsel, Peter Williams for Acting Secretary Alexis Podesta of the Business,
19 Consumer Services and Housing Agency.
20

21 Agenda item 2: After the first roll call vote, additional board members arrived for the meeting
22 resulting in a renewed motion made by Michael Gunning to approve the minutes of the March
23 15, 2016 Board of Directors meeting with a second roll call vote. Ayes: AnaMarie Avila Farias,
24 Eileen Gallagher, Michael Gunning, Jonathan Hunter, Ben Metcalf, Dalila Sotelo, Stephen
25 Russell and Janet Falk. Abstentions: Tim Schaefer, Dr. Imbasciani and Peter Williams. The
26 minutes were approved. (Ayes: 8; Nays: 0; Abstentions: 3.)
27

28 Agenda item 3: A motion was made by Dalila Sotelo to approve the minutes of the April 11,
29 2016 Board of Directors with a roll call vote. The minutes were approved. Ayes: Tim Schaefer,
30 Michael Gunning, Jonathan Hunter, Ben Metcalf, Dalila Sotelo, Stephen Russell and Janet Falk.
31 Abstentions: Dr. Imbasciani and Peter Williams. The minutes were approved. (Ayes: 7; Nays: 0;
32 Abstentions: 2.)
33

34 Agenda item 4: Executive Director reported on the following:
35

36 On May 16, 2016, Ms. Boatman Patterson and Mr. Metcalf (HCD) attended the National
37 Housing & Rehabilitation Association's National Organization of Developers Conference
38 held in Southern California, which included robust conversations about aligning state
39 resources to develop affordable housing.
40

41 Ms. Boatman Patterson reported that the Governor's May Revise included a strong
42 statement in support of affordable housing.
43

44 Ms. Boatman Patterson brought to the attention of the Board that mission critical out-of-
45 state travel for fiscal year 2016/2017 is set forth in agenda for board approval under item
46 6-B document 7 (pages 87-89) of the operating budget and that CalHFA policy is
47 consistent with state's out-of-state guidelines. Ms. Boatman Patterson reminded
48 staff and board members that out-of-state travel requires a strong written
49 justification supporting its purpose and need.

50 Agenda item 5A: James Morgan and Enoch Yeung presented the Sutter Terrace Multifamily
51 project and Resolution 16-08 seeking authority to execute and deliver a commitment letter to
52 fund a loan for the project consistent with the terms and conditions presented. A motion was
53 made by Stephen Russell and Resolution 16-08 was approved by a roll call vote. Ayes:
54 AnaMarie Avila Farias, Tim Schaefer, Eileen Gallagher, Dr. Vito Imbasciani, Michael Gunning,
55 Jonathan Hunter, Ben Metcalf, Peter Williams, Dalila Sotelo, Stephen Russell, Janet Falk.
56 (Ayes: 11; Nays: 0; Abstentions: 0.)

57
58 Agenda item 5B: James Morgan and Enoch Yeung presented the Renwick Square Multifamily
59 project and Resolution 16-09 seeking authority to execute and deliver a commitment letter to fund a
60 loan for the project consistent with the terms and conditions presented. A motion was made by
61 Dalila Sotelo and Resolution 16-09 was approved by a roll call vote. Ayes: AnaMarie Avila Farias,
62 Tim Schaefer, Eileen Gallagher, Dr. Vito Imbasciani, Michael Gunning, Jonathan Hunter, Ben
63 Metcalf, Peter Williams, Dalila Sotelo, Stephen Russell, Janet Falk. (Ayes: 11; Nays: 0;
64 Abstentions: 0.)

65
66 Agenda items 6A & C: Don Cavier, Chief Deputy Director of CalHFA, presented the proposed
67 Strategic Business Plan and Resolution 16-10 approving and authorizing staff to proceed with the
68 business plan as presented. A motion was made by Stephen Russell Resolution 16-10 was approved
69 by a roll call vote. Ayes: AnaMarie Avila Farias, Tim Schaefer, Eileen Gallagher, Dr. Vito
70 Imbasciani, Michael Gunning, Jonathan Hunter, Ben Metcalf, Peter Williams, Dalila Sotelo, Stephen
71 Russell, Janet Falk. (Ayes: 11; Nays: 0; Abstentions: 0.)

72
73 Agenda items 6B & D: Don Cavier, Chief Deputy Director of CalHFA, presented the proposed
74 CalHFA Operating Budget and Resolution 16-11 approving and authorizing staff to proceed with
75 the operating budget as presented. A motion was made by Tim Schaefer and Resolution 16-11
76 was approved by a roll call vote. Ayes: AnaMarie Avila Farias, Tim Schaefer, Eileen Gallagher,
77 Dr. Vito Imbasciani, Michael Gunning, Jonathan Hunter, Ben Metcalf, Peter Williams, Dalila
78 Sotelo, Stephen Russell, Janet Falk. (Ayes: 11; Nays: 0; Abstentions: 0.)

79
80 Agenda item 7: Theodore Ballmer, CalHFA Staff Counsel and Ken Giebel, CalHFA Director of
81 Single Family Program, presented Roberti 710 loan product and Resolution 16-12 approving and
82 authorizing staff to create a single family loan product as presented. A motion was made by Tim
83 Schaefer and Resolution 16-11 was approved by a roll call vote. Ayes: AnaMarie Avila Farias,
84 Tim Schaefer, Eileen Gallagher, Dr. Vito Imbasciani, Michael Gunning, Jonathan Hunter, Ben
85 Metcalf, Peter Williams, Dalila Sotelo, Stephen Russell, Janet Falk. (Ayes: 11; Nays: 0;
86 Abstentions: 0.)

87

88 Agenda item 8: Janet Falk, Chair, asked the Board for questions or comments about any of the
89 reports and there were none.

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91 Agenda item 9: No additional Board matters discussed.

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93 Agenda item 10: No public testimony was presented.

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95 The meeting adjourned at 11:41 a.m.

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MEMORANDUM

To: Board of Directors

Date: June 28, 2016



Timothy Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: Federal Home Loan Bank of San Francisco – Secured Credit Facility

The California Housing Finance Agency was recently approved for \$100 million in financing availability from the Federal Home Loan Bank of San Francisco (“Bank”). The Agency plans to use its access to Bank credit to fund a portfolio of Fannie Mae and Ginnie Mae mortgage-backed securities composed of loans it has originated for low to moderate income homebuyers.

The Agency believes that access to the Bank’s competitively priced funding will provide us with flexibility in how we raise capital for lending and will expand our lending capacity. It will help us manage our liquidity and lower our costs of capital, which will ultimately help more Californians have a place to call home.

The Agency expects to execute the necessary documents with the Bank within the next couple of weeks, upon Board approval. We expect to draw from the secured credit facility later this year. CalHFA is looking forward to being the first housing associate to borrow from the Federal Home Loan Bank of San Francisco.

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RESOLUTION NO. 16-13

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY
AUTHORIZING THE AGENCY TO CONTRACT WITH THE FEDERAL HOME LOAN
BANK OF SAN FRANCISCO TO PROVIDE A SECURED CREDIT FACILITY FOR
FINANCING AGENCY LENDING PROGRAMS

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need for additional means of financing the Agency's lending programs;

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 its lending programs;

WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit facilities, financing agreements, loan agreements and certain other agreements for the purpose of financing its lending programs, including the making of loans and the payment of other costs of the Agency incident to, and as necessary or convenient to, the financing of its lending programs; and,

WHEREAS, the Federal Home Loan Bank of San Francisco is willing to provide to the Agency a secured credit facility to finance the Agency's lending programs;

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. The Agency hereby determines that the borrowing of funds from the Federal Home Loan Bank of San Francisco by means of a secured credit facility is an appropriate means of providing sufficient funds for its lending programs.

Section 2. Authorization. The borrowing of funds from the Federal Home Loan Bank of San Francisco described in Section 1 is hereby authorized for the purpose of financing of the Agency's lending programs.

Section 3. Specific Agreement Approval. Approval is given to the Agency to enter into a Federal Home Loan Bank of San Francisco "Settlement/Transaction Account Agreement," and the Executive Director or other employee authorized by her in writing is hereby authorized and directed to execute a Settlement/Transaction Account Agreement substantially in the form of Attachment A hereto.

1 **Section 4. Authorization and Approval of Federal Home Loan Bank of San**
 2 **Francisco Agreements and Certain Other Documents.** The Executive Director, the Chief
 3 Deputy Director of the Agency, the Director of Financing of the Agency, or any other person
 4 specifically authorized in writing by the Executive Director, are hereby authorized and directed
 5 to execute, for and on behalf and in the name of the Agency, such Federal Home Loan Bank of
 6 San Francisco agreements and other documents necessary to enter into, effectuate and administer
 7 a secured credit facility with the Federal Home Loan Bank of San Francisco. Such agreements
 8 and documents include, but are not limited to: a Safekeeping Agreement; an Advances and
 9 Security Agreement; and, a Certificate of Designated Persons – Wire Transfer Services.

10 **Section 5. Further Resolution and Authorization.** The Federal Home Loan
 11 Bank of San Francisco form “Resolution and Authorization: Housing Associate Transactions”
 12 attached hereto as Attachment B is hereby incorporated herein and adopted by the Board. The
 13 Secretary of the Board is hereby authorized to execute the certification thereon.

14 ARTICLE II

15 **Section 6. Authorization of Related Actions and Agreements.** The Executive
 16 Director, the Chief Deputy Director of the Agency, the Director of Financing of the Agency, or
 17 any other person specifically authorized in writing by the Executive Director, are hereby
 18 authorized and directed, jointly and severally, to do any and all things and to execute and deliver
 19 any and all agreements and documents which they deem necessary or advisable in order to
 20 consummate the borrowing from the Federal Home Loan Bank of San Francisco by means of a
 21 secured credit facility, and otherwise, to effectuate the purposes of this resolution including
 22 executing and delivering any amendment or supplement to any agreement or document which
 23 relates to borrowing from the Federal Home Loan Bank of San Francisco by means of a secured
 24 credit facility in any manner that would be authorized under this resolution if such agreement or
 25 document related to the borrowing from the Federal Home Loan Bank of San Francisco by
 26 means of a secured credit facility authorized by this resolution.

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

31 **Section 7. Additional Delegation.** All actions by the Executive Director
 32 approved or authorized by this resolution may be taken by the Chief Deputy Director of the
 33 Agency, the Director of Financing of the Agency, or any other person specifically authorized in
 34 writing by the Executive Director, and except to the extent otherwise taken by another person
 35 shall be taken by the Chief Deputy Director during any period in which the office of the
 36 Executive Director is vacant.

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SECRETARY’S CERTIFICATE

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I, Victor James, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 16-13 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 13th day of July 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 13th day of July 2016.

[SEAL]

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

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ATTACHMENT "A"

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Settlement/Transaction Account Agreement

This Settlement/Transaction Account Agreement ("Agreement"), is made as of _____ between the Federal Home Loan Bank of San Francisco ("Bank") and _____ ("Account Holder"), which has its main, home, or principal office at _____

1. The Settlement/Transaction Account ("STA") maintained by the Bank for the Account Holder is governed by the "Settlement/Transaction Account Terms and Conditions" as revised by the Bank from time to time ("Terms and Conditions"). Changes in the Terms and Conditions will be effective as to the Account Holder 10 days after the Bank mails a copy of the changes to the Account Holder's address according to the Bank's records (or on the effective date of the revised Terms and Conditions, whichever is later).
2. The Account Holder will pay applicable charges relating to the STA, as described in the Terms and Conditions.
3. The Account Holder grants to the Bank a lien on and security interest in any credits or deposits in the STA according to the terms and conditions of the Advances and Security Agreement or any other applicable agreement between the Account Holder and the Bank to secure any indebtedness of the Account Holder to the Bank. The Bank may, without notice and without limiting any other rights and remedies, set off and apply any amount on deposit in the STA to the payment of any indebtedness of the Account Holder to the Bank.

The Account Holder represents and warrants to the Bank as of the date of this Agreement that the Account Holder has full corporate authority to enter into this Agreement and that this Agreement constitutes the valid and binding obligation of the Account Holder in accordance with its terms. The Account Holder also represents and warrants to the Bank as of the date of this Agreement that (i) the Agreement was approved by the Account Holder's board of directors or a committee of the Board; (ii) the approval is reflected in the minutes of the board or committee; and (iii) the Account Holder will continuously maintain this Agreement as an official record of the Account Holder.

IN WITNESS WHEREOF, the Account Holder and the Bank have caused this Agreement to be executed by their duly authorized officers as of the date first mentioned above.

Account Holder

Full Corporate Name of Member

Authorized Signature*	Authorized Signature*
Name	Name
Title	Title

* This Agreement must be signed in accordance with the Account Holder's authorizations on file with the Bank.

Federal Home Loan Bank of San Francisco

Authorized Signature	Authorized Signature
Name	Name
Title	Title



Settlement/Transaction Account Terms and Conditions

These Terms and Conditions govern the Settlement/Transaction Account ("STA") maintained by the Federal Home Loan Bank of San Francisco ("Bank") for the account holder ("Account Holder") according to the Settlement/Transaction Account Agreement ("Agreement") between the Bank and the Account Holder.

I. Deposits and Withdrawals

A. Deposits

1. Deposits by the Account Holder or a Third Party

Funds from outside the Bank may be transferred to the Bank for deposit to the Account Holder's STA only by a funds transfer initiated by the Account Holder or a third party for the benefit of the Account Holder through the Fedwire funds transfer system of the Federal Reserve System. In the event that Fedwire is not operational or the Bank determines that other exigent circumstances exist, the Bank may elect to accept offline funds transfer instructions from the Account Holder through a Federal Reserve Bank under conditions determined by the Bank.

The Bank may reject or return (i) any Fedwire funds transfer to the Bank directed to the Account Holder if the payment order does not conform to the Bank's standards or if the Fedwire instructions indicate that the Account Holder is not the beneficiary; or (ii) any funds transmitted from outside the Bank for deposit to the STA by means other than those described above.

2. Deposits by the Bank

The Bank will pay any amount due to the Account Holder from the Bank by processing a book entry credit to the Account Holder's STA.

B. Withdrawals

1. Withdrawals by the Account Holder

The Account Holder may withdraw funds from the STA only in the form of (i) a Fedwire funds transfer from the Bank to the Account Holder's account at a Federal Reserve Bank (or the Account Holder's account at another correspondent financial institution through its account at a Federal Reserve Bank), initiated as described in Section V.C; or (ii) a book entry debit for a payment to the Bank, initiated by instruction from the Account Holder to the Bank. The Bank may reject any request by the Account Holder for a withdrawal of funds from the STA in any other form and may refuse to follow any withdrawal instruction or request that does not conform to the Bank's standards.

2. Withdrawals by the Bank

The Account Holder authorizes the Bank to process a book entry debit to the Account Holder's STA (i) for payment of any amount due to the Bank under the Agreement or these Terms and Conditions or under any other agreement or transaction between the Bank and the Account Holder; or (ii) as required by legal process.

II. Interest

The Account Holder's balance in the STA at the end of each day, taking into account funds debited or credited as of that day according to these Terms and Conditions, will accrue interest on a daily basis at the STA rate. The Bank intends to adjust the STA rate as market conditions change, without notice to the Account Holder. Information about the current STA rate is available upon request. The Bank will process a book entry credit to the Account Holder's STA as of the first business day¹ of each calendar month for the interest accrued on STA balances during the previous calendar month.

¹ In these Terms and Conditions, the term "business day" means a day on which the Bank is open to conduct STA transactions with its account holders.

III. Overdrafts

A. Prohibition Against Overdrafts

The Account Holder does not have the right to an overdraft of the STA, whether on an intraday basis or at the end of the day, and will maintain sufficient funds on deposit in the STA for expected withdrawals from the STA, whether initiated by the Account Holder or the Bank. The Account Holder may not initiate or cause to be initiated a withdrawal from the STA if the amount of funds on deposit properly credited to the STA at the time does not at least equal the amount of the expected withdrawal. The Bank may refuse to execute any transaction for the Account Holder if the STA is overdrawn or if the transaction would result in an overdraft of the STA, taking into account debits and credits expected to be processed by the Bank as of the same date, except that the Bank may debit the STA for any amount due to the Bank even if the STA is overdrawn or the debit will result in an overdraft of the STA.

B. Charges for Overdrafts

If the STA is overdrawn, the Account Holder will pay the Bank (i) the amount of the overdraft, which will be due and payable immediately and without demand; and (ii) any fee or overdraft charge then in effect on the amount overdrawn, charged on a daily basis until the overdraft is corrected by the deposit of funds into the STA in an amount at least equal to the amount of the overdraft plus accrued charges. If the Account Holder attempts to correct an overdraft by initiating a Credit Entry, but the Credit Entry is not received by the Bank in a timely manner in accordance with Section V.B. below, the Account Holder will be charged the applicable fee or overdraft charge until the Credit Entry is actually processed by the Bank; furthermore, any Credit Entry received after 3:00 p.m. California time on a business day, which is not processed by the Bank on the day of receipt and not otherwise rejected or returned to the Account Holder or other originator, will not accrue interest for the day of receipt.

The Bank may elect, without prior notice to the Account Holder, (i) to apply any deposits, credits, or other property of the Account Holder then in the possession of the Bank to the payment of the overdraft amount plus accrued charges; or (ii) to extend an advance to fund payment of the overdraft under the terms of the Advances and Security Agreement or other applicable agreement then in effect between the Bank and the Account Holder.

C. No Amendment by Course of Dealing or Oral Waiver

The prohibition against overdrafts in the STA may not be amended by course of dealing or oral waiver, even if the Account Holder has previously overdrawn the STA or any other account with the Bank. The prohibition against overdrafts may be amended only by (i) revised Terms and Conditions issued by the Bank that expressly permit overdrafts; or (ii) a written amendment signed by an authorized officer of the Bank that expressly permits overdrafts and references this section of the Terms and Conditions.

IV. Account Statements and Reconciliation

The Bank will provide the Account Holder monthly statements reflecting deposits to, withdrawals from, and other debits and credits to the STA during the statement cycle. The Bank will send the monthly statements via facsimile unless the Account Holder opts to access its monthly statements only via the Bank's secure website. The Account Holder may also access its daily STA activity, as well as its current and recent monthly statements, on the Bank's secure website. The Account Holder must give the Bank written notice of any discrepancy between the STA monthly statement and the Account Holder's records within 10 business days after the effective date of the monthly statement. If the Account Holder does not deliver the required notice within 10 business days, the Bank will not be liable for any losses resulting from the Account Holder's failure to give the required notice, or for the loss of interest or any other loss or cost relating to (i) an unauthorized or erroneous withdrawal from the STA or (ii) any other discrepancy in the statement.

V. Wire Transfer Procedures

A. Entries

An "Entry" is a payment order, as defined in Federal Reserve System Regulation J, that is initiated by the Account Holder (or in the case of a deposit to the STA, any other originator) instructing the Bank to execute a deposit to or a withdrawal from the STA. An Entry must be unambiguous and complete, with all information necessary for processing. Ambiguous or incomplete instructions are not Entries and may be accepted or rejected by the Bank at its discretion. The Account Holder will indemnify the Bank against any loss, interest or expense relating to the Bank's

execution of any transaction relating to incomplete or ambiguous instructions. The Bank's execution of one or more late or nonconforming Entries will not obligate the Bank to execute any other late or nonconforming Entries, and the Bank may discontinue executing late or nonconforming Entries without prior notice to the Account Holder. The Bank will not notify the Account Holder when an Entry is received or processed other than by reflecting the STA deposit or withdrawal on the next STA monthly statement and posting the STA deposit and withdrawal on the Bank's secure website on the following business day after the related Entry was processed by the Bank.

B. Credit Entries

A "Credit Entry" is an Entry initiated by the Account Holder or another party with instructions for a deposit to the Account Holder's STA by means of a Fedwire funds transfer.

The Bank may reject or return any payment order for a deposit to the STA that is not a Credit Entry conforming to these Terms and Conditions. If the Bank rejects a Credit Entry or any other payment order directed to the Account Holder's STA, the Bank will attempt to notify the Account Holder within a reasonable time by telephone or other reasonable means.

The Account Holder authorizes the Bank to receive for deposit to the STA any Credit Entry directed to the Account Holder, unless the Bank receives written notice from the Account Holder adequately describing the expected Credit Entry and requesting the Bank to reject it. The Bank must receive the notice in reasonably sufficient time to enable the Bank to act on the request.

Credit Entries will be processed by the Bank as follows:

1. Received By 3:00 p.m.

Credit Entries received by the Bank by 3:00 p.m. California time on a business day will be processed that same day.

2. Received Between 3:00 p.m. and 3:15 p.m.

Credit Entries received by the Bank after 3:00 p.m. California time but before 3:15 p.m. California time on a business day will be processed that same day only if the Bank has received proper notice from the Account Holder before 2:00 p.m. California time on that same day. Such notice must include the name of the sender of the Credit Entry, the amount of the Credit Entry and the projected time that the Credit Entry will be sent. If the Bank has not received notice as required, the Bank will reject and return the Credit Entry to the Account Holder or other originator, or at the Bank's discretion, may attempt to process the Credit Entry on the day the Credit Entry is received.

3. Received After 3:15 p.m.

Credit Entries received after 3:15 p.m. California time on a business day will be rejected and returned to the Account Holder or other originator. If there is insufficient time to return the Credit Entry to the Account Holder or other originator, the Bank will hold the Credit Entry in a suspense account and process the Credit Entry on the following business day. Notwithstanding the preceding sentence, at the Bank's discretion, the Bank may attempt to process the Credit Entry on the day the Credit Entry is received.

4. Certain Products and Programs

The Bank reserves the right to require earlier deadlines for the receipt and processing of Credit Entries related to certain products and programs established by the Bank from time to time.

C. Debit Entries

A "Debit Entry" is an Entry initiated by request from the Account Holder with instructions for a withdrawal from the Account Holder's STA by means of a Fedwire funds transfer from the Bank to the Account Holder's account at a Federal Reserve Bank or the account of a correspondent financial institution (holding such funds on behalf of or for the account of the Account Holder) at a Federal Reserve Bank.

The Account Holder will initiate any Fedwire funds transfer from the STA by making a Debit Entry Request to the Bank. A "Debit Entry Request" is a request for a Debit Entry initiated by the Account Holder by one of the following methods:

- Drawdown Request: A Debit Entry Request that is transmitted electronically by the Account Holder or a correspondent financial institution on behalf of the Account Holder through Fedwire.
- Telephone Request: A verbal Debit Entry Request that is communicated by a telephone call from an authorized person on behalf of the Account Holder.

The Bank may reject or return any request for a withdrawal from the STA that is not a Debit Entry Request conforming to these Terms and Conditions. If the Bank rejects a Debit Entry Request or any other request for a withdrawal from the Account Holder's STA, the Bank will attempt to notify the Account Holder within a reasonable time by telephone or other reasonable means.

Before initiating a Telephone Request, the Account Holder will provide the Bank with a valid Certificate of Designated Persons-Wire Transfer Services ("Certificate"). The Bank is entitled to rely on the last Certificate received by the Bank from the Account Holder until the Bank receives a new Certificate or until the Account Holder rescinds the Certificate in writing. By maintaining a Certificate with the Bank, the Account Holder agrees that the Bank's security procedures relating to Telephone Requests are commercially reasonable.

1. Drawdown Requests

The Account Holder authorizes the Bank to execute any Debit Entry initiated by Drawdown Request. The Account Holder is solely responsible for ensuring that Drawdown Requests on its behalf are authorized and that the Account Holder has exercised due care with respect to its Fedwire security procedures. The Bank is not responsible for determining whether a Drawdown Request is authorized or authentic.

Drawdown Requests received by the Bank by 2:30 p.m. California time on a business day will be processed that same day. Drawdown Requests received by the Bank after 2:30 p.m. California time but before 3:00 p.m. California time on a business day will be processed that same day only if the Bank has received proper notice from the Account Holder before 2:00 p.m. California time on that same day. Such notice must include the amount of the Debit Entry and the projected time that the Drawdown Request will be made. If the Bank has not received notice as required, the Bank will reject the Drawdown Request, and the Account Holder must initiate a new Drawdown Request on the following business day. Notwithstanding the preceding sentence, at the Bank's discretion, the Bank may attempt to process the Drawdown Request on the day the Drawdown Request is received. Drawdown Requests received by the Bank after 3:00 p.m. California time on a business day will be rejected, and the Account Holder must initiate a new Drawdown Request on the following business day.

2. Telephone Requests

To facilitate Telephone Requests by the Account Holder, the Bank may assign Personal Identification Numbers ("PINs") to the Account Holder to enable authorized persons designated by the Account Holder on its Certificate to initiate Telephone Requests. The Bank may change the PINs at any time by giving written notice to the Account Holder.

The Account Holder authorizes the Bank to execute any Debit Entry purportedly initiated on behalf of the Account Holder by an apparently authorized Telephone Request if the caller is able to provide a valid PIN for the Account Holder. For additional security, the Bank will telephone a second authorized individual designated on the Certificate to verify the Telephone Request. If the Bank is unable to contact a second authorized person designated on the Certificate, the Bank will refuse to act on the Telephone Request in its sole discretion.

The Account Holder is solely responsible for ensuring that Telephone Requests on its behalf are authorized and that the Account Holder has exercised due care with respect to its Telephone Request security procedures. By initiating a Telephone Request, the Account Holder agrees that the Bank's security procedures relating to Telephone Requests are commercially reasonable.

Telephone Requests received by the Bank by 2:30 p.m. California time on a business day will be processed that same day. Telephone Requests received by the Bank after 2:30 p.m. California time but before 3:00 p.m. California time on a business day will be processed that same day only if the Bank has received proper notice from the Account Holder before 2:00 p.m. California time on that same day. Such notice must include the amount of the Debit Entry and the projected time that the Telephone Request will be made. If the Bank has not received

notice as required, the Bank will reject the Telephone Request, and the Account Holder must initiate a new Telephone Request on the following business day. Notwithstanding the preceding sentence, at the Bank's discretion, the Bank may attempt to process the Telephone Request on the day the Telephone Request is received. Telephone Requests received by the Bank after 3:00 p.m. California time on a business day will be rejected, and the Account Holder must initiate a new Telephone Request on the following business day.

3. Correspondent Relationships

If the Account Holder wants to initiate a Debit Entry by means of a Fedwire funds transfer from the Bank to the account of a correspondent financial institution (holding such funds on behalf of or for the account of the Account Holder) at a Federal Reserve Bank, the Account Holder must complete the correspondent fields on its Certificate. The Bank is entitled to rely on the correspondent information specified on the last Certificate received by the Bank until the Bank receives a new Certificate from the Account Holder or until the Account Holder rescinds the Certificate in writing.

4. Amending or Canceling a Debit Entry

The Account Holder may request the Bank to amend or cancel a Debit Entry by using the same procedures as are required for making a Drawdown Request or a Telephone Request. The Account Holder's request to amend or cancel a Debit Entry must be unambiguous and complete in order to be valid.

If the Bank receives a valid request to amend or cancel a Debit Entry in sufficient time to provide the Bank a reasonable opportunity to act on the request prior to execution of the Debit Entry, the Bank will attempt to act on the amendment or cancellation request; however, the Bank will have no liability for failing to act on an amendment or cancellation request, whether or not the Bank receives the request in sufficient time. If a request to amend or cancel a Debit Entry is valid but the Bank does not receive the request in sufficient time to provide the Bank a reasonable opportunity to act on the request prior to execution of the Debit Entry, or if the Bank fails to act on the request prior to execution of the Debit Entry, the Bank may, at its discretion, request the receiving financial institution to amend or cancel the Debit Entry as requested by the Account Holder, in accordance with the applicable rules and regulations of the Federal Reserve System. The Bank will not be deemed to have accepted the Account Holder's amendment or cancellation request unless and to the extent that the request is accepted and executed by the receiving financial institution, and the Bank will have no liability for amendment or cancellation requests acted upon by the Bank after execution of a Debit Entry. The Account Holder will reimburse the Bank for any costs, losses or damages to the Bank relating to the Account Holder's request to amend or cancel a Debit Entry, whether or not successful.

The Account Holder authorizes the Bank to process (i) any amendment or cancellation request relating to a Debit Entry initiated in the same manner as a Drawdown Request by a Fedwire instruction that correctly identifies the Debit Entry and the Account Holder's STA; and (ii) any amendment or cancellation request initiated in the same manner as a Telephone Request in which the caller is able to provide a valid PIN for the Account Holder. For additional security, the Bank will telephone a second authorized person designated on the Certificate to verify the amendment or cancellation request. If the Bank is unable to contact a second authorized person designated on the Certificate, the Bank will refuse to act on the request in its sole discretion.

5. Return or Rejection of a Debit Entry

If the Bank receives notice of the rejection or return of a Debit Entry, the Bank will attempt to notify the Account Holder within a reasonable time by telephone or other reasonable means.

6. Responsibility for Debit Entry

If a Debit Entry results from a Debit Entry Request transmitted or authorized by the Account Holder, the Account Holder will be obligated to pay the Bank the amount of the Debit Entry, whether or not the Bank complies with the security procedures in these Terms and Conditions with respect to the Debit Entry and whether or not the Debit Entry was erroneous in any respect or the error would have been detected if the Bank had complied with the security procedures.

In addition, the Account Holder will pay the Bank the amount of any Debit Entry not authorized by the Account Holder, provided that the Bank acted in accordance with the instructions in the apparent Debit Entry Request and in compliance with the security procedures in these Terms and Conditions with respect to the Debit Entry.

If a Debit Entry Request lists the Account Holder by name as beneficiary but uses an account number other than the Account Holder's account at a Federal Reserve Bank or the account of a correspondent financial institution (acting on behalf of or for the account of the Account Holder) through its account at a Federal Reserve Bank, the institution receiving the related Fedwire instruction may credit or otherwise settle for the Debit Entry on the basis of the account number, and the Account Holder is obligated to pay the Bank the amount of the Debit Entry.

If the Account Holder has received notice of a Debit Entry or other communication purportedly made on behalf of the Account Holder that has been executed and charged to the STA erroneously or without the Account Holder's authorization, but the Account Holder has not notified the Bank promptly (and in any case, within 10 business days) of the error or lack of authorization, the Bank will have no liability to the Account Holder for any subsequent similar occurrence even if the Bank would otherwise be liable to the Account Holder in connection with the subsequent occurrence.

7. Wire Transfer Fees

The Account Holder will pay the Bank the amount of (i) any wire transfer fee then in effect for each Entry processed by the Bank, and (ii) any other fee then in effect for additional STA services provided by the Bank at the request of the Account Holder.

D. General Security Procedures

1. Account Holder's Obligations

The Account Holder will comply with all security procedures adopted by the Bank from time to time with respect to the STA and will establish and maintain procedures to ensure the confidentiality and security of all security codes, procedures and information relating to the STA ("Security Information"). The Account Holder will ensure that the Security Information is known only to persons authorized by the Account Holder and will not disclose any Security Information to any other person without the Bank's prior written consent. The Account Holder will not permit any person to issue a Debit Entry Request on its behalf or take any other action relating to the STA without proper training, supervision and adherence to security procedures. The Account Holder will notify the Bank immediately if (i) the Account Holder has reason to believe the confidentiality of any Security Information has been breached; (ii) any of the Account Holder's employees or agents with access to the Security Information terminates an employment or agency relationship with the Account Holder; or (iii) the Account Holder has reason to believe an unauthorized Entry or Fedwire instruction may be or has been transmitted to the Bank.

2. Funds Transfer Risks

The authenticity of an instruction to the Bank to process Entries for the Account Holder cannot be determined by the Bank with certainty, nor can the Bank determine with certainty whether an authentic instruction received by the Bank from the Account Holder or a third party for the benefit of the Account Holder was correctly understood by the Bank. These inherent funds transfer risks cannot be fully avoided, and these Terms and Conditions contain provisions allocating the risks between the Bank and the Account Holder. The Account Holder's initiation of any Entry constitutes the Account Holder's (i) acceptance of the procedures described in these Terms and Conditions as appropriate for the Account Holder's needs; and (ii) agreement that the security procedures described in these Terms and Conditions will provide the Account Holder with commercially reasonable protection appropriate to the Account Holder's ability to accept the inherent risk of the execution by the Bank of unauthorized or erroneous Entries processed for the account of the Account Holder.

3. Recording

The Bank may record by audio recording device any telephone call relating to an Entry.

4. Information Retention

The Account Holder will retain information on file adequate to permit the remaking of each Entry for 60 days following the date of execution of the Entry and will provide the information to the Bank upon request.

VI. Bank Duties and Liability

The Bank will be responsible only for performing the duties expressly described in these Terms and Conditions.

The Bank will not be responsible for the acts or omissions (including without limitation, acts or omissions relating to the amount, accuracy, timeliness of transmittal, or authorization of any instruction or information relating to an Entry) of the Account Holder or its directors, officers, or employees or of any other person (including without limitation, other financial institutions, operators of funds transfer facilities, Federal Reserve Banks, or transmission or communications facilities), and none of these persons will be deemed to be the Bank's agent. The Account Holder will indemnify the Bank against any loss, liability or expense (including attorneys' fees and expenses) relating to the claim of any person that the Bank is responsible for any act or omission of the Account Holder or any other person relating to the STA.

The Bank will not be liable for any damages relating to the STA other than damages of the Account Holder resulting directly from the Bank's failure to exercise due care in performing its express obligations under these Terms and Conditions. The measure of damages with respect to an Entry giving rise to liability on the part of the Bank will be the actual proven damages of the Account Holder, not to exceed the amount of the Entry, plus interest, if any, at the applicable STA rate. Notwithstanding any other provision of these Terms and Conditions, the Bank's liability, if any, will be reduced by the amount of any loss that could have been prevented or recovered had the Account Holder discovered and reported the loss or error to the Bank within a reasonable time, not to exceed 10 business days, on the basis of information available to the Account Holder. The Bank will not be liable for any consequential, special, punitive or indirect losses or damages of the Account Holder or any other party relating to the STA or the Agreement or these Terms and Conditions. Without limiting the generality of any other provision of these Terms and Conditions, the Bank will have no liability for any failure to act or from any delay in acting if the failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, labor dispute, war, natural disaster, emergency condition or other circumstances beyond the Bank's control. In addition, the Bank will have no liability for any failure to process an Entry or any delay in processing an Entry if the Bank reasonably believed the processing would violate any applicable law, rule or regulation.

VII. Other Provisions

A. Existing Demand Deposit Accounts and Shareholder Transaction Accounts

1. Demand Deposit Accounts

As of January 2, 1997, with respect to any demand deposit account maintained by the Bank for the Account Holder on that date, these Terms and Conditions will constitute the "Rules and Regulations" issued pursuant to the Demand Deposit Agreement ("DDA Agreement") and will supersede any prior Rules and Regulations issued under the DDA Agreement. Other than the superseded prior Rules and Regulations, the terms of the DDA Agreement will continue to be effective until the Account Holder and the Bank execute a Settlement/Transaction Account Agreement; provided, however, that (i) the terms "Demand Deposit Account" and "DDA" will be replaced in all future statements and communications between the Bank and the Account Holder with the terms "Settlement/Transaction Account" and "STA", respectively; (ii) all references in these Terms and Conditions to the STA will be effective as to accounts governed by a DDA Agreement; and (iii) all references in any other Bank agreements, policies, procedures or other documents to a "Demand Deposit Account" or "demand deposit account" or "DDA" will mean the STA (as defined in these Terms and Conditions).

2. Shareholder Transaction Accounts

With respect to any shareholder transaction account maintained by the Bank for the Account Holder pursuant to a Shareholder Transaction Account Agreement ("Old Agreement"), (i) these Terms and Conditions will constitute the "Terms and Conditions" referenced in the Old Agreement and will supersede any prior Terms and Conditions governing the Old Agreement; (ii) the terms "Shareholder Transaction Account" and "STA" will be replaced in all future statements and communications between the Bank and the Account Holder with the terms "Settlement/Transaction Account" and "STA" (as defined in these Terms and Conditions), respectively; (iii) all references in these Terms and Conditions to the STA will be effective as to any STA governed by an Old Agreement; and (iv) all references in any other Bank agreements, policies, procedures or other documents to a "Shareholder Transaction Account", "shareholder transaction account" or "STA" will mean the STA (as defined in these Terms and Conditions).

B. Entire Agreement

The Agreement and these Terms and Conditions, along with related forms provided to the Account Holder by the Bank, are the complete and exclusive statement of the agreement between the Bank and the Account Holder with respect to the STA, superseding any prior account agreement or understanding between the Bank and the Account Holder. If the performance of services in accordance with the Agreement and these Terms and Conditions would result in a violation of any present or future statute, regulation or government policy, the Terms and Conditions will be deemed amended to the extent necessary to comply with the statute, regulation or policy, and the Bank will have no liability to the Account Holder or any other party as a result of the violation or amendment. If any provision of these Terms and Conditions is held to be invalid or unenforceable to any extent, all of the other provisions will remain valid and fully enforceable.

C. Binding Agreement and Benefit

The Agreement and these Terms and Conditions will be binding upon and benefit the Bank and the Account Holder and their respective legal representatives, successors and assigns. No other person will have any benefit or any right against the Bank or the Account Holder arising from the Agreement or these Terms and Conditions.

D. Waivers

No waiver by either the Bank or the Account Holder of any right in these Terms and Conditions will be deemed a continuing waiver or a waiver of any other right. In order to be valid, a waiver must be in writing and must be executed by the party granting the waiver.

E. Changes in Terms and Conditions

From time to time, the Bank may revise these Terms and Conditions, and the revisions will become effective 10 days after the effective date of delivery of the revisions to the Account Holder.

F. Non-Assignment

The Account Holder may not transfer or assign the STA, the Agreement or any of its related rights or obligations without the prior written consent of the Bank, and any attempted transfer or assignment without the consent of the Bank is void.

G. Setoff

The Bank may charge the STA to reduce or satisfy any indebtedness of the Account Holder to the Bank, whether arising in connection with the STA or otherwise. This authorization includes, without limitation, the Bank's right to charge the STA for the repayment of advances made pursuant to the Advances and Security Agreement between the Bank and the Account Holder.

H. Disputes

In case of a dispute relating to the STA, the Bank may elect, in its sole discretion, to (i) seek clarification or additional instructions from the Account Holder; (ii) close the STA and return the STA balance to the Account Holder; (iii) close the STA and deposit the STA balance with a court in connection with an interpleader action or other action; or (iv) take any other action the Bank deems reasonable under the circumstances. The Account Holder will not hold the Bank responsible for, and will indemnify and defend the Bank against, damages that may result from any action or inaction taken by the Bank in good faith in the case of a dispute relating to the STA. If the Account Holder brings an action or proceeding seeking to obtain any legal or equitable relief against the Bank for any transaction in the STA, and the relief is not granted by the final decision, after all appeals, of a court of competent jurisdiction, the Account Holder will pay all attorneys' fees and other expenses and costs incurred by the Bank.

I. Right to Close the STA

The Account Holder may not close the STA. The Bank may close the STA for any reason, without cause and without prior notice to the Account Holder. If the STA is closed by the Bank for a reason other than pursuant to Section VII.H. above, the Bank will transfer the STA balance to the Account Holder or to the Account Holder's account at another

financial institution, as directed by the Account Holder, subject to any right the Bank may have under any security agreement affecting the STA or any other agreement with the Account Holder or the Bank's right of setoff.

J. Confidentiality

The Account Holder will not disclose any information regarding the Bank's security procedures or other procedures relating to the STA to any third party and will use information relating to the STA only in connection with the transactions contemplated by the Agreement and these Terms and Conditions.

K. Governing Law and Venue

The Agreement and these Terms and Conditions will be governed by and construed according to (i) federal law, including without limitation, the Federal Home Loan Bank Act and related regulations and any applicable regulations of the Office of Foreign Assets Control of the U.S. Department of the Treasury, each as amended from time to time; (ii) to the extent not inconsistent with the Agreement, these Terms and Conditions, and Federal Reserve System Regulation J, as amended from time to time; and (iii) to the extent federal law incorporates or defers to state law, the laws (excluding the conflicts of law rules) of the State of California.

Any action to enforce or interpret the Agreement or these Terms and Conditions or otherwise relating to the STA will be brought in San Francisco in the United States District Court for the Northern District of California, or if such action or proceeding may not be brought in federal court, in the Superior Court of the City and County of San Francisco to the exclusion of all other courts.

L. Notices

Any notice from the Account Holder to the Bank relating to the STA will be effective as of the day and at the time received by the Portfolio Operations Department, Federal Home Loan Bank of San Francisco, 600 California Street, San Francisco, California 94108, or at any other address specified by the Bank in a written notice to the Account Holder.

Any notice from the Bank to the Account Holder relating to the STA (except for revisions to these Terms and Conditions pursuant to Section VII.E. above) will be effective as of the earlier of (i) the day the notice is received by the Account Holder; or (ii) three business days after the Bank mails the notice by first class mail to the Account Holder's address according to the Bank's records.

ATTACHMENT "B"

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**Resolution and Authorization:
Housing Associate Transactions**

Institution Name
California Housing Finance Agency

RESOLVED, that any one of the following named officers, employees, or agents of this institution ("Authorized Persons") is hereby authorized to apply to the Federal Home Loan Bank of San Francisco ("Bank") (either orally or in writing, as required by the Bank) for advances, lines of credit, interest rate derivative transactions, letters of credit and other extensions of credit; to pledge, endorse and withdraw collateral required to secure such transactions; to request or purchase Bank funds in unsecured money market transactions (if an eligible institution); to enter into repurchase and resale transactions with the Bank; to open and maintain deposit or transaction accounts with the Bank and transfer funds (in accordance with procedures required by the Bank); to initiate securities and securities safekeeping transactions; to apply for funding through certain community investment programs; to engage in any other transactions or activities that the Bank may make available to its housing associates from time to time; and to sign agreements, forms, certifications or confirmations, execute trades, call for funds, give notices, and do all other things necessary in connection with any of the above-listed activities:

(Print or type names)

Tia Boatman Patterson	
Don Cavier	
Timothy Hsu	

AND FURTHER RESOLVED, that the Board of Directors (or the appropriate committee thereof) hereby authorizes the use of facsimile signatures of the Authorized Persons listed above in connection with any of the activities described above for which the Bank requires signatures; and

FURTHER RESOLVED, that any Authorized Person may delegate in writing the transaction authority given herein, either in whole or part, to any other officer, employee, or agent of the institution ("Designated Person") and the Bank shall be entitled to rely on any action taken within the scope of said delegation by any such Designated Person; and

FURTHER RESOLVED, that all authorized signatures and facsimile signatures appearing on the endorsements to mortgage notes pledged to the Bank in the past, present, and future are hereby ratified and confirmed as authorized signatures; and

FURTHER RESOLVED, that this resolution rescinds and supersedes all prior resolutions of the Board of Directors (or appropriate committee thereof) with respect to the matters described herein and that it shall be effective as of the date hereof and shall hereafter remain in full force and effect and binding upon this institution until written notice of its rescision is delivered to the Bank, PROVIDED, HOWEVER, that if any Authorized Person executes any agreement, form, certification or confirmation in connection with any of the above-listed activities prior to certification of this institution as a housing associate of the Bank, such agreements, forms, certifications or confirmations shall not take effect unless and until this institution is certified as a housing associate of the Bank.

I hereby certify that the above Resolution is a full, true and correct copy of a Resolution duly adopted by the Board of Directors (or an appropriate committee thereof) of _____ (Institution Name) at a meeting of said Board (or committee) held on _____ (Date), and that the signatures appearing on the accompanying Authorization are the true and correct signatures of the Authorized Persons referenced in the Resolution.

Date	Corporate Secretary or Assistant Corporate Secretary Signature
------	--

Authorization

Institution Name
California Housing Finance Agency

The following individuals are Authorized Persons, pursuant to a Resolution adopted by the Board of Directors (or appropriate committee thereof) of this institution:

Authorized Persons

Name	Email Address	Signature
Tia Boatman Patterson	TPatterson@CalHFA.ca.gov	
Don Cavier	DCavier@CalHFA.ca.gov	
Timothy Hsu	THsu@CalHFA.ca.gov	

Federal Home Loan Bank of San Francisco Use Only

Date Received	Received By
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State of California

M E M O R A N D U M**To** Board of Directors**Date:** June 29, 2016

From: Tim Hsu, Director of Financing 
CALIFORNIA HOUSING FINANCE AGENCY

Subject: REPORT OF BOND SALE
 HOME MORTGAGE REVENUE BONDS 2016 SERIES A

On June 21, 2016, the Agency entered into a purchase contract for the delivery of \$236.35 million of refunding bonds under the Home Mortgage Revenue Bond Indenture (HMRB). The taxable fixed rate bonds will refund previously issued HMRB bonds. The bonds are scheduled to close on June 30, 2016 and will be rated AA- by S&P and A2 by Moody's.

Proceeds of the RMRB 2016 Series A bonds will be used to refund the HMRB 2006 Series bonds listed in the table below. The refunding is being executed for economic savings. While we do not know the actual savings that will be generated from this refunding since it is dependent on the life of the loans, we expect to save approximately \$3.5 million during the first year after the bonds close.

Summary of the Bonds	
Bond Series	2016 A
Par Amount	\$236,350,000
Type of Bonds	Fixed Rate
Tax Treatment	Federally Taxable
Credit Rating	AA- (S&P) / A2 (Moody's)
Refunded Bonds	HMRB 2006 D HMRB 2006 E HMRB 2006 F HMRB 2006 I HMRB 2006 K HMRB 2006 M
Maturities and Rates	2/1/2017 @ 1.00% --> 8/1/2027 @ 3.442% 8/1/2031 @ 3.85@ 8/1/2036 @ 2.79%

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State of California

M E M O R A N D U M

To: Board of Directors

Date: June 28, 2016



Tim Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: Report of Recent Rating Upgrades

On June 14, 2016, S&P Global Ratings raised its long-term underlying rating on all bonds (fixed rate and variable rate) under the Home Mortgage Revenue Bond indenture to “AA-“from “A”. The outlook on the rating is stable.

In July 2015 CalHFA replaced the credit and liquidity support provided by Fannie Mae and Freddie Mac, as part of the Federal Temporary Credit and Liquidity Program (TCLP) with letters of credit (LOCs) provided by Bank of America N.A., Bank of Tokyo-Mitsubishi UFJ Ltd., Sumitomo Mitsui Banking Corp. and Royal Bank of Canada. This action resulted in a joint rating, which takes into consideration both CalHFA’s underlying rating on the bonds and the long term rating of the LOC provider. Any change in either the long-term rating of the respective bank or the underlying rating on the bonds, can result in a change in the joint rating.

On June 14, 2016, due to the upgrade in the underlying rating of the bonds, S&P Global Ratings also raised the joint ratings on several of CalHFA’s variable-rate demand bonds that are backed by LOCs. The upgraded joint ratings are as follows:

- The long-term rating on the bonds backed by the Bank of America, N.A. Irrevocable letter of credit was raised to AA+/A-1 from AA/A-1, credit watch is positive
- The long term rating on the bonds backed by Sumitomo Mitsui Banking Corporation Irrevocable letter of credit was raised to AA+/A-1 from AA/A-1
- The long-term rating on the bonds backed by the Royal Bank of Canada Irrevocable letter of credit was raised to AAA/A-1+ from AA+/A-1+

S&P Global Ratings also affirmed the rating of AA+/A-1 for the Irrevocable letter of credit provided by the Bank of Tokyo-Mitsubishi UFJ, Ltd.

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State of California

MEMORANDUM**To:** Board of Directors

Date: July 1, 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.

Strategic Business Plan and Operating Budget for FY 15-16 estimated around \$100 million in new conduit issuance. Actual conduit issuance amount for FY 15-16 was **\$275,452,881** (1,217 rental units for seniors, families, and farm workers/families).

<i>Conduits Program - FY16-17:</i>						
	Project Name	City	Project Type	Units	Closing Date	Loan Amount
<i>(In Process to Close)</i>						
1	Monte Vista Gardens Family Apts	San Jose	Family	144	7/14/2016	34,000,000
				144		\$ 34,000,000
<i>(July 20, 2016 CDLAC Meeting- CDLAC Due 5/20/16)</i>						
2	Gateway Station	Oxnard	Family	240	8/1/2016	90,000,000
3	Stoneman Apartments	Pittsburg	Family	230	8/30/2016	75,000,000
				470		\$ 165,000,000

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State of California

MEMORANDUM

To: Board of Directors

Date: June 27, 2016



Tim Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

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

- The overall delinquency rate has decreased from a high of 17.94% in January 2010 to 6.48% in May 2016.
 - The delinquency rate for FHA loans has decreased from a high of 19.86% in January 2010 to 7.49% in May 2016.
 - The delinquency rate for Conventional loans has decreased from a high of 16.31% in January 2010 to 5.54% in May 2016.
- Conventional MI loans with reinsurance have the second highest delinquency rate at 8.17% (comparing all conventional and FHA loans). VA loans have the highest delinquency rate at 8.93%, however there are only 112 VA loans of which 10 are delinquent.
- 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 30 loans (5 FHA loans and 25 Conventional loans).
- The annualized 2016 foreclosure rate for Conventional loans is under 1% compared to a high of 10% in 2010.
- As of May 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 667 loans (FHA and conventional) that received KYHC's Principal Reduction Program (PRP) funds, for a total of \$40.94 million.
- "Cure" rates for modified loans (current at time of modification): 84.52%
- "Cure" rates for modified loans (delinquent at time of modification): 71.80%

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

May 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	%
Federal Guaranty											
FHA	6,011	\$ 561,317,991	31.87%	241	4.01%	86	1.43%	123	2.05%	450	7.49%
VA	112	9,237,082	0.52%	4	3.57%	0	0.00%	6	5.36%	10	8.93%
RHS	69	11,251,582	0.64%	1	1.45%	0	0.00%	0	0.00%	1	1.45%
Conventional loans											
with MI											
MI with Reinsurance	1,041	245,219,326	13.92%	39	3.75%	7	0.67%	39	3.75%	85	8.17%
No Reinsurance	841	202,099,800	11.48%	25	2.97%	13	1.55%	27	3.21%	65	7.73%
without MI											
Originated with no MI	3,020	485,671,655	27.58%	84	2.78%	18	0.60%	47	1.56%	149	4.93%
MI Cancelled*	1,486	246,328,157	13.99%	30	2.02%	14	0.94%	11	0.74%	55	3.70%
Total CalHFA	12,580	\$ 1,761,125,593	100.00%	424	3.37%	138	1.10%	253	2.01%	815	6.48%
<i>Weighted average of conventional loans:</i>				178	2.79%	52	0.81%	124	1.94%	354	5.54%

*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	%
30-yr level amort											
FHA	6,011	\$ 561,317,991	31.87%	241	4.01%	86	1.43%	123	2.05%	450	7.49%
VA	112	9,237,082	0.52%	4	3.57%	0	0.00%	6	5.36%	10	8.93%
RHS	69	11,251,582	0.64%	1	1.45%	0	0.00%	0	0.00%	1	1.45%
Conventional - with MI	740	153,451,244	8.71%	30	4.05%	9	1.22%	20	2.70%	59	7.97%
Conventional - w/o MI	4,012	626,632,729	35.58%	99	2.47%	27	0.67%	44	1.10%	170	4.24%
40-yr level amort											
Conventional - with MI	191	49,353,162	2.80%	6	3.14%	2	1.05%	12	6.28%	20	10.47%
Conventional - w/o MI	146	26,938,406	1.53%	5	3.42%	1	0.68%	1	0.68%	7	4.79%
*5-yr IOP, 30-yr amort											
Conventional - with MI	951	244,514,719	13.88%	28	2.94%	9	0.95%	34	3.58%	71	7.47%
Conventional - w/o MI	348	78,428,678	4.45%	10	2.87%	4	1.15%	13	3.74%	27	7.76%
Total CalHFA	12,580	\$ 1,761,125,593	100.00%	424	3.37%	138	1.10%	253	2.01%	815	6.48%
<i>Weighted average of conventional loans:</i>				178	2.79%	52	0.81%	124	1.94%	354	5.54%

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

May 31, 2016

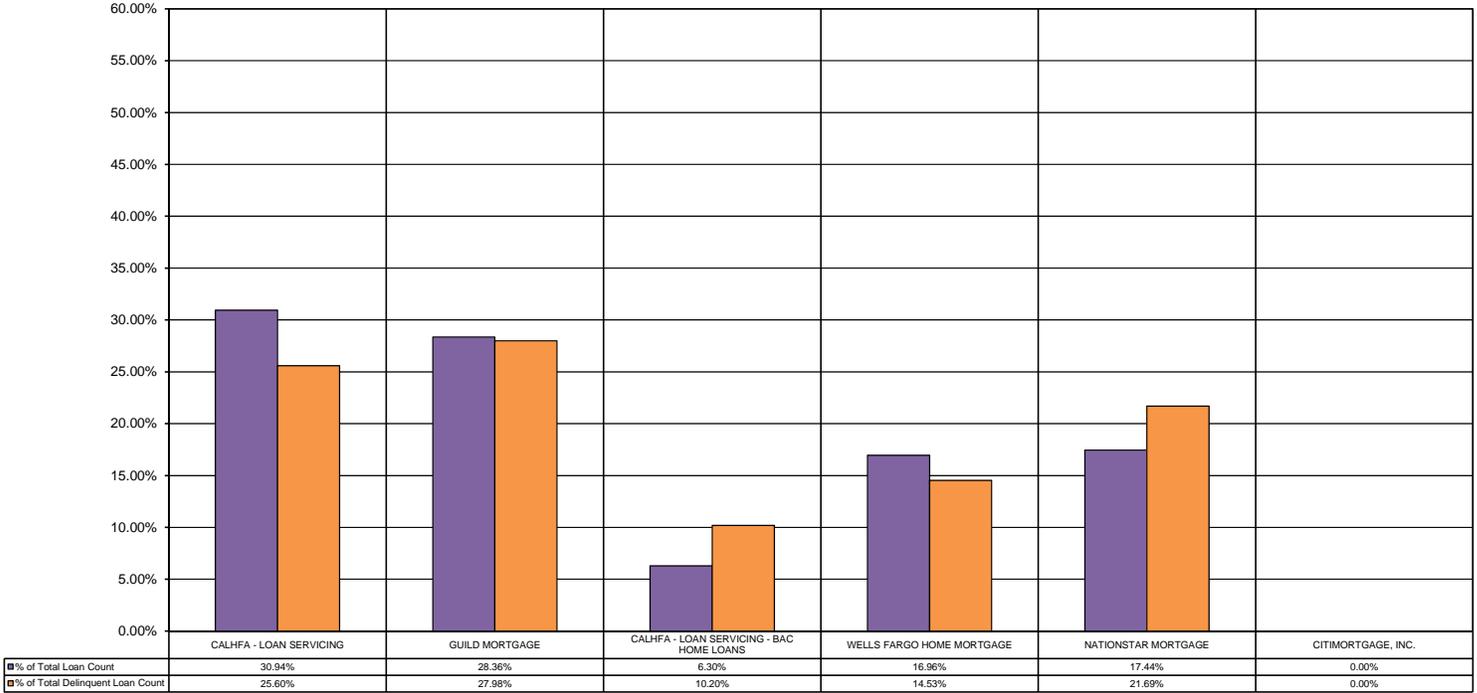
**Reconciled Loan Delinquency Summary
All Active Loans By Servicer**

	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	5,551	\$ 962,496,346	54.65%	146	2.63%	45	0.81%	112	2.02%	303	5.46%
GUILD MORTGAGE	2,992	388,920,155	22.08%	104	3.48%	45	1.50%	57	1.91%	206	6.89%
WELLS FARGO HOME MORTGAGE	1,448	128,106,418	7.27%	42	2.90%	18	1.24%	30	2.07%	90	6.22%
NATIONSTAR MORTGAGE	1,309	98,406,897	5.59%	66	5.04%	16	1.22%	33	2.52%	115	8.79%
CALHFA - LOAN SERVICING - BAC HOME LOANS	1,252	177,909,864	10.10%	66	5.27%	13	1.04%	19	1.52%	98	7.83%
CITIMORTGAGE, INC.	28	5,285,914	0.30%	0	0.00%	1	3.57%	2	7.14%	3	10.71%
Total CalHFA	12,580	\$ 1,761,125,593	100.00%	424	3.37%	138	1.10%	253	2.01%	815	6.48%

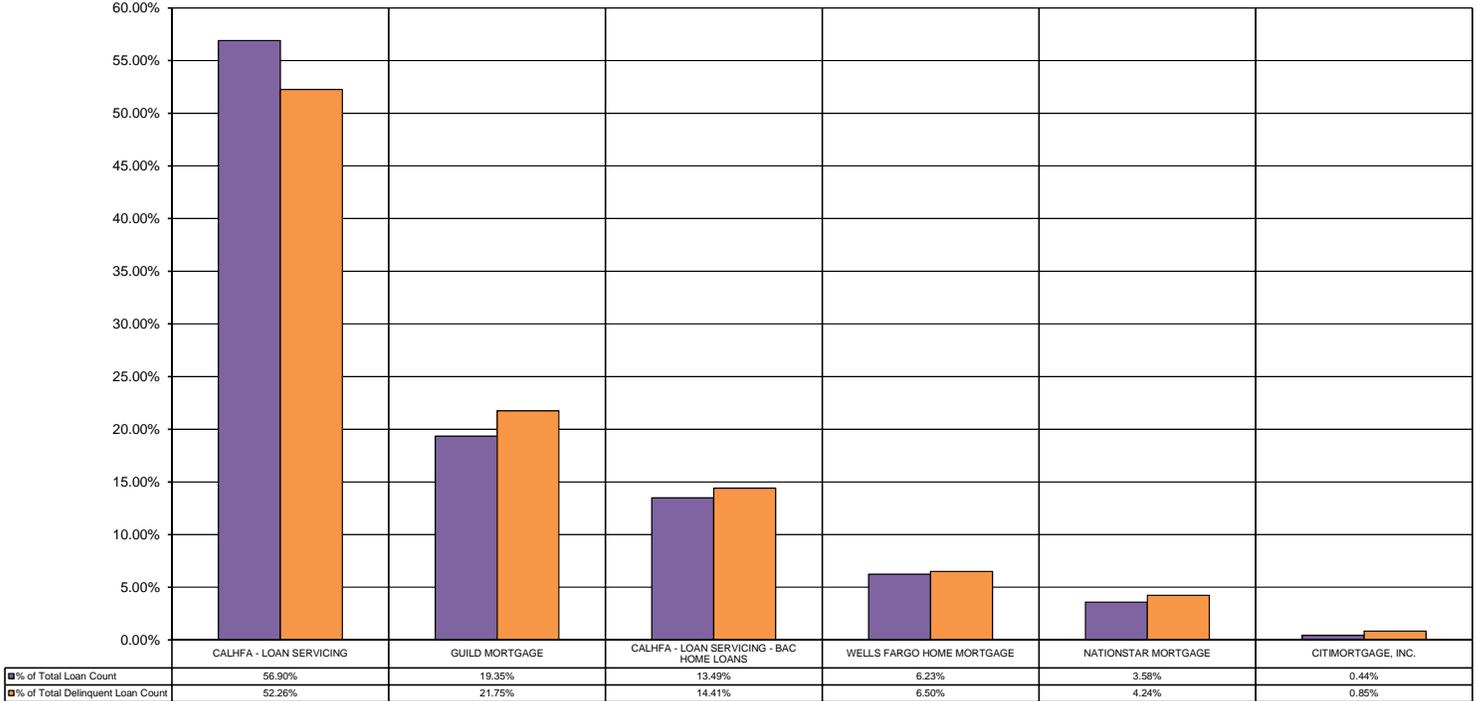
**Reconciled Loan Delinquency Summary
All Active Loans By County**

	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	2,078	\$ 361,891,070	20.55%	62	2.98%	14	0.67%	46	2.21%	122	5.87%
SAN DIEGO	952	168,775,656	9.58%	28	2.94%	10	1.05%	21	2.21%	59	6.20%
KERN	888	74,128,554	4.21%	40	4.50%	15	1.69%	16	1.80%	71	8.00%
FRESNO	798	57,520,314	3.27%	34	4.26%	10	1.25%	18	2.26%	62	7.77%
TULARE	783	56,397,019	3.20%	31	3.96%	10	1.28%	19	2.43%	60	7.66%
SANTA CLARA	681	140,245,912	7.96%	11	1.62%	4	0.59%	3	0.44%	18	2.64%
SAN BERNARDINO	563	77,498,273	4.40%	21	3.73%	7	1.24%	11	1.95%	39	6.93%
RIVERSIDE	547	68,697,814	3.90%	31	5.67%	10	1.83%	19	3.47%	60	10.97%
SACRAMENTO	529	78,491,959	4.46%	14	2.65%	11	2.08%	8	1.51%	33	6.24%
ALAMEDA	485	93,397,131	5.30%	6	1.24%	4	0.82%	6	1.24%	16	3.30%
ORANGE	485	87,629,138	4.98%	8	1.65%	3	0.62%	6	1.24%	17	3.51%
CONTRA COSTA	420	78,190,528	4.44%	18	4.29%	9	2.14%	10	2.38%	37	8.81%
IMPERIAL	383	31,829,238	1.81%	18	4.70%	4	1.04%	6	1.57%	28	7.31%
BUTTE	288	26,723,526	1.52%	11	3.82%	1	0.35%	9	3.13%	21	7.29%
VENTURA	283	61,538,172	3.49%	5	1.77%	0	0.00%	3	1.06%	8	2.83%
OTHER COUNTIES	2,417	298,171,289	16.93%	86	3.56%	26	1.08%	52	2.15%	164	6.79%
Total CalHFA	12,580	\$ 1,761,125,593	100.00%	424	3.37%	138	1.10%	253	2.01%	815	6.48%

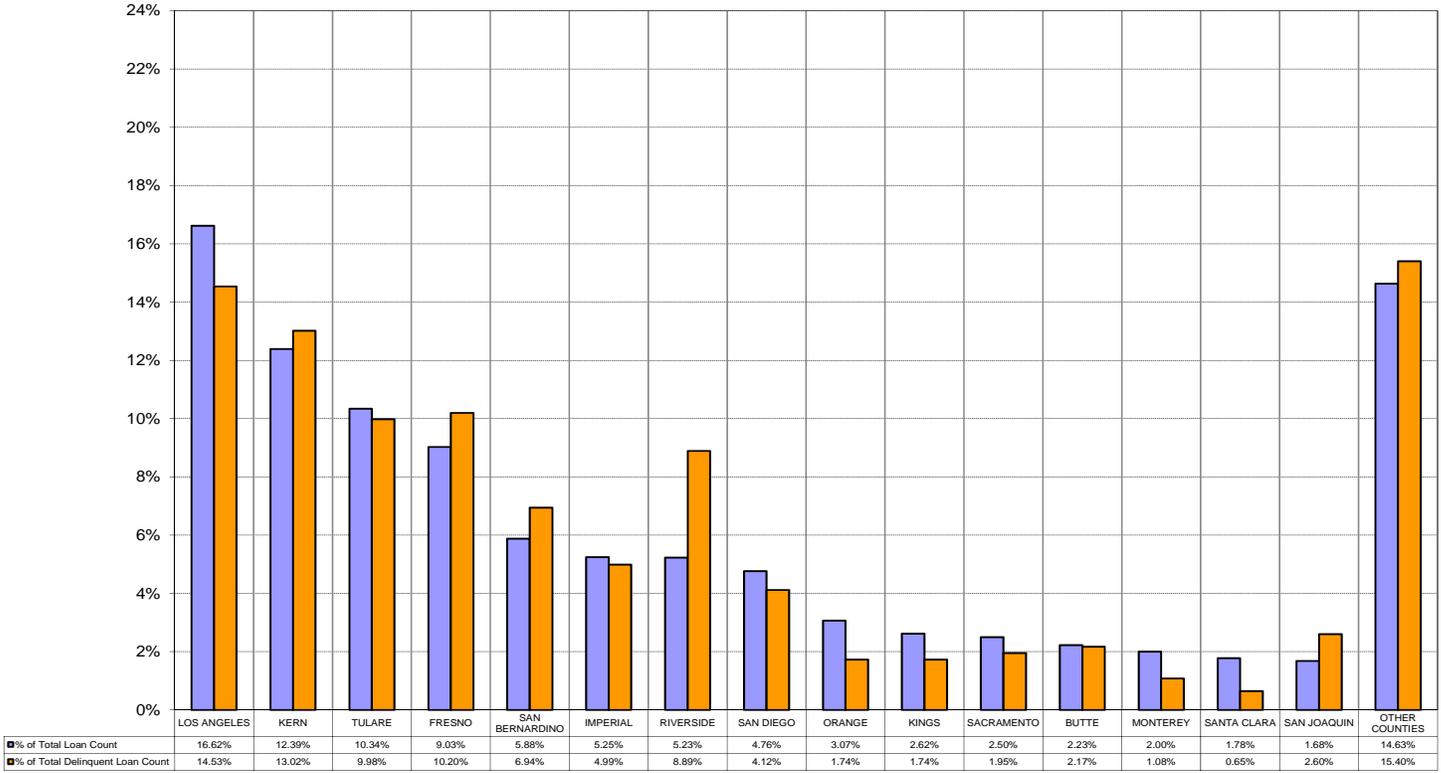
**CalHFA FHA Loan Portfolio Performance Comparison by Servicer
(% of Total Loan Count vs. % of Total Delinquent Loan Count)
as of May 31, 2016**



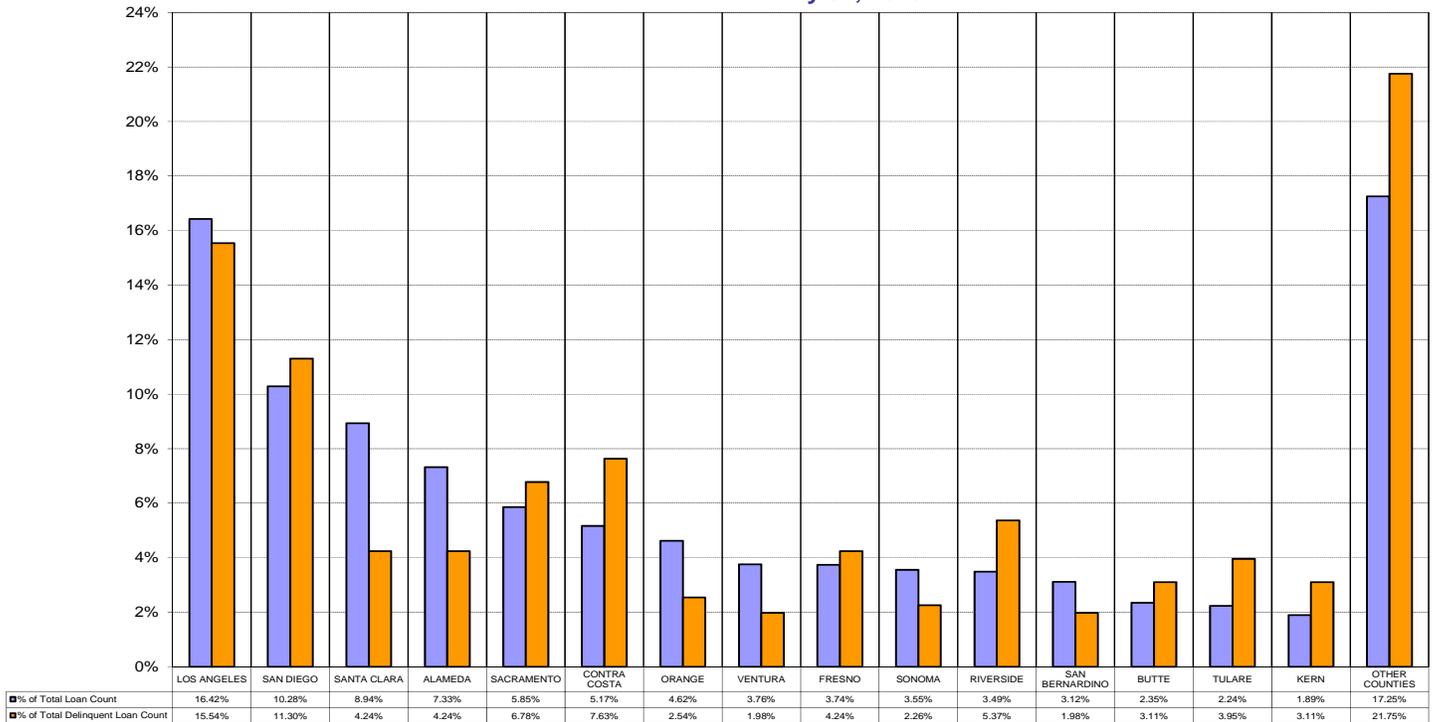
**CalHFA Conventional Loan Portfolio Performance Comparison by Servicer
(% of Total Loan Count vs. % of Total Delinquent Loan Count)
as of May 31, 2016**



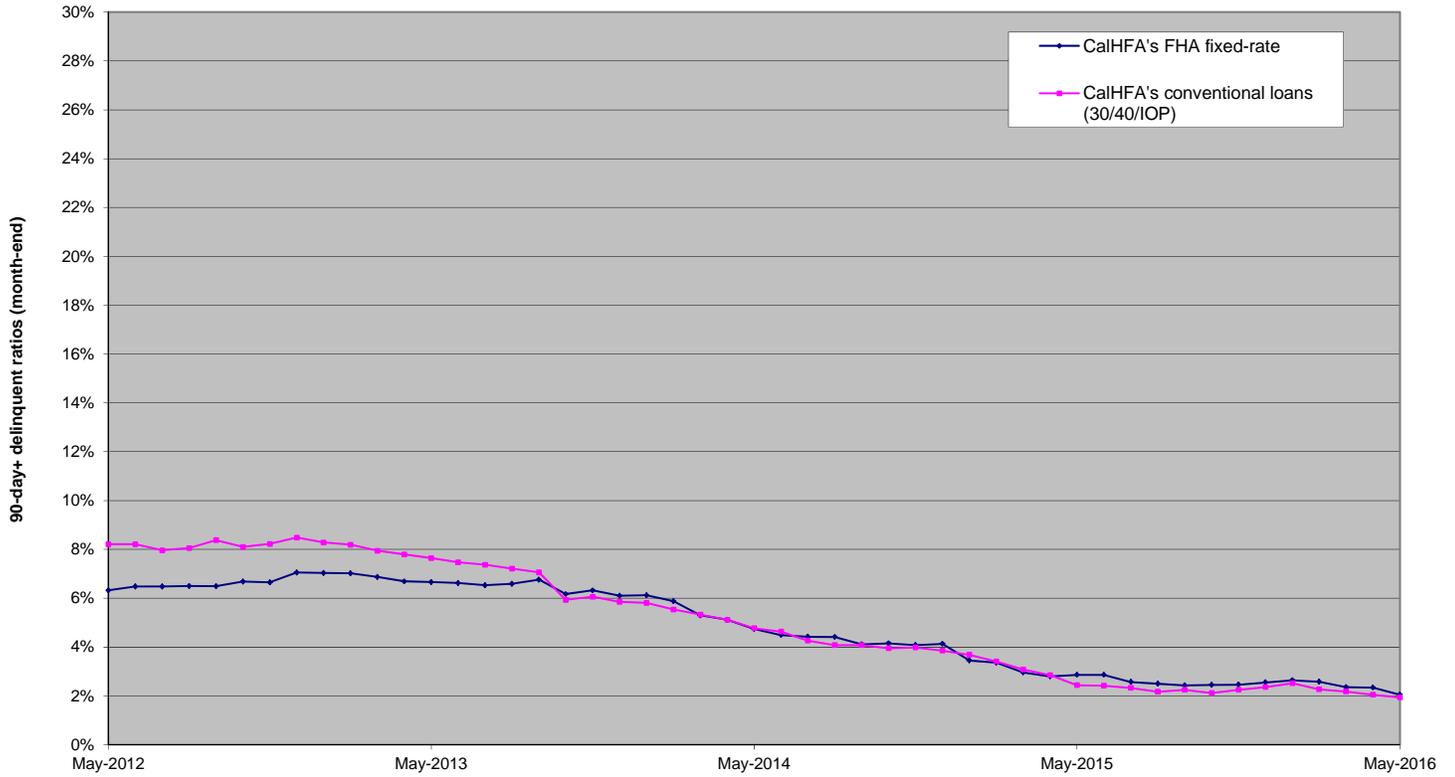
**CalHFA FHA Loan Portfolio Performance Comparison by County
(% of Total Loan Count vs. % of Total Delinquent Loan Count)
as of May 31, 2016**



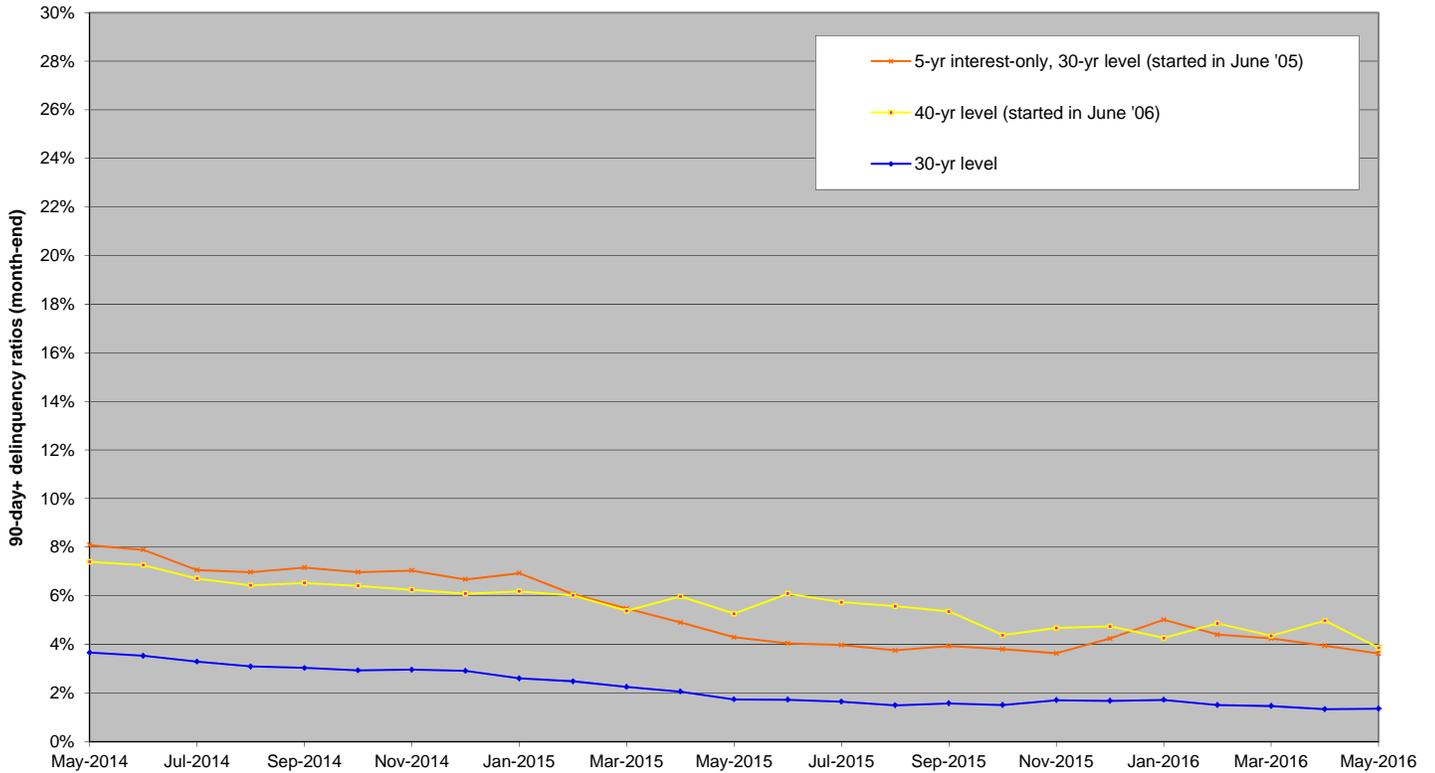
**CalHFA Conventional Loan Portfolio Performance Comparison by County
(% of Total Loan Count vs. % of Total Delinquent Loan Count)
as of May 31, 2016**



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

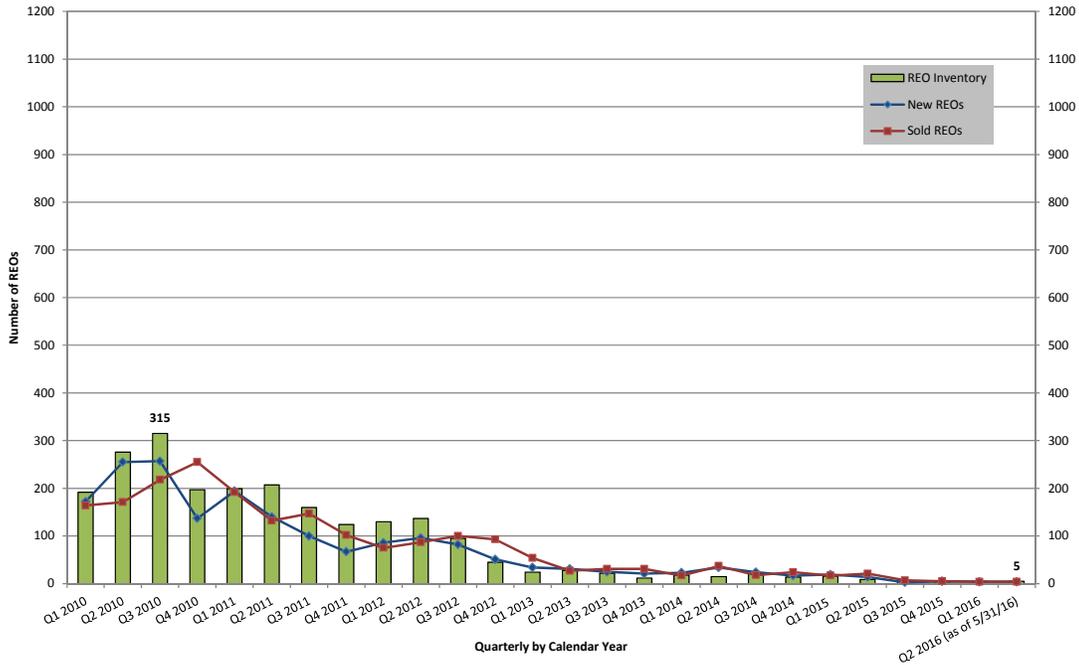


Real Estate Owned

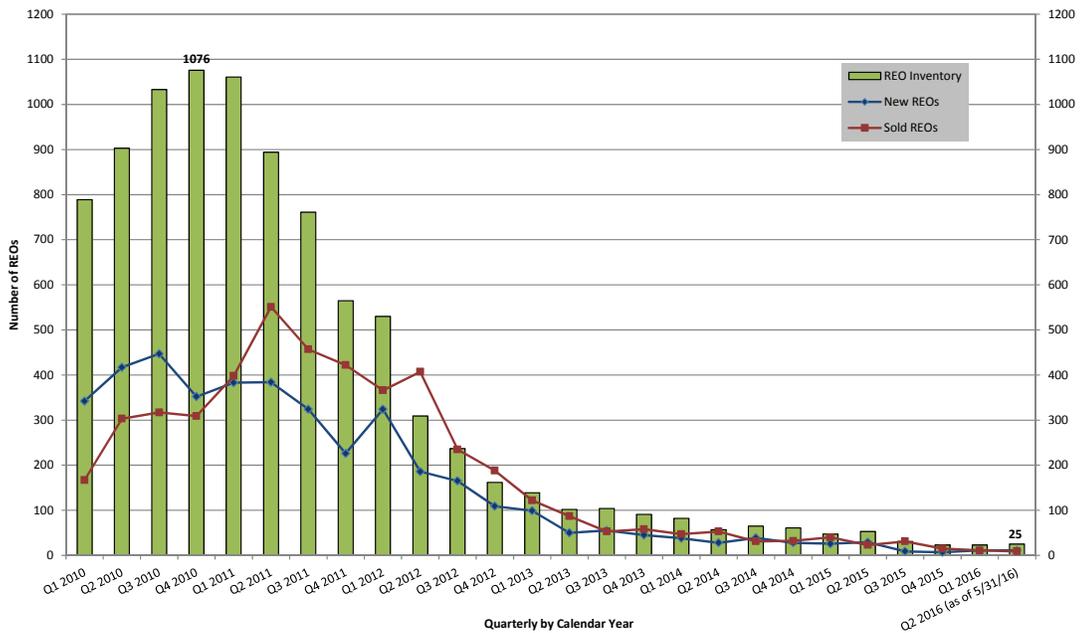
Calendar Year 2016 (As of May 31, 2016)												
Loan Type	Beginning Balance # of Loans	Prior Calendar Adj.	*Trustee Sales			Disposition of REO(s)					Ending Balance # of Loans	UPB of REO's Owned
			Reverted to CalHFA Jan-Apr	Reverted to CalHFA May	Total Trustee Sales	Repurchased by Lender Jan-Apr	Market Sale(s) Jan-Apr	Repurchased by Lender May	Market Sale(s) May	Total Disposition of REO(s)		
FHA/RHS/VA	4	0	6	2	8	5		2		7	5	\$ 920,124
Conventional	24	0	15	7	22		16		5	21	25	4,786,479
Total	28	0	21	9	30	5	16	2	5	28	30	\$ 5,706,603

*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 seven (7) 3rd party sales to date 2016.

FHA REO Inventory



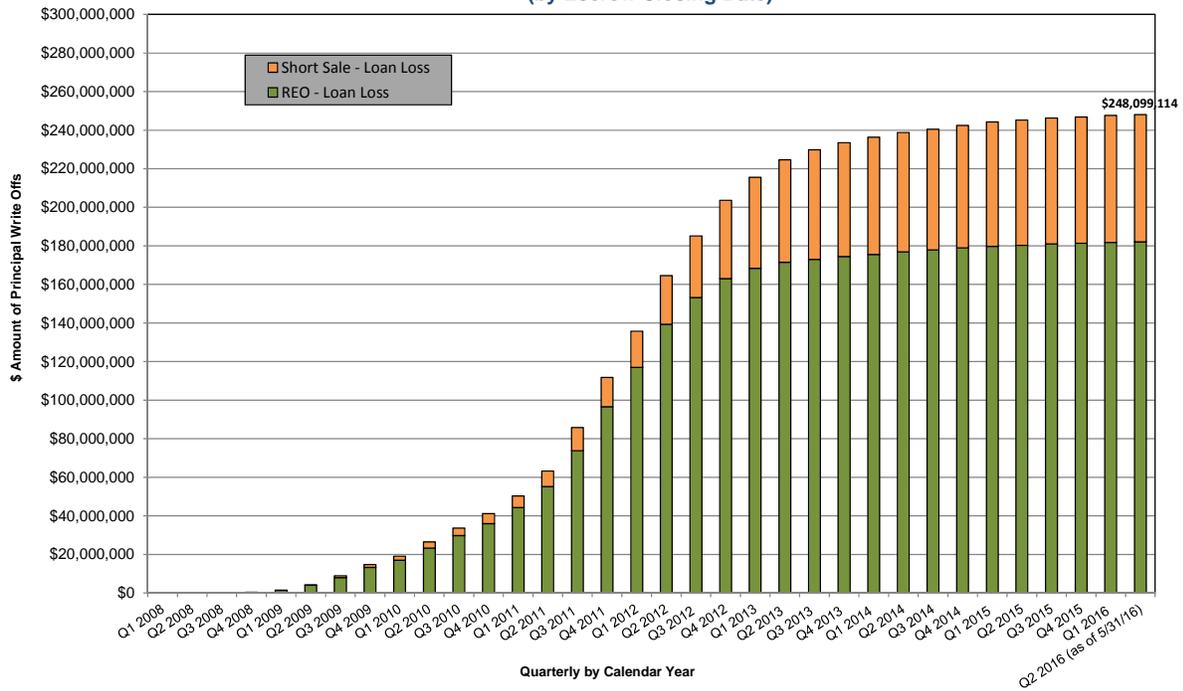
Conventional REO Inventory



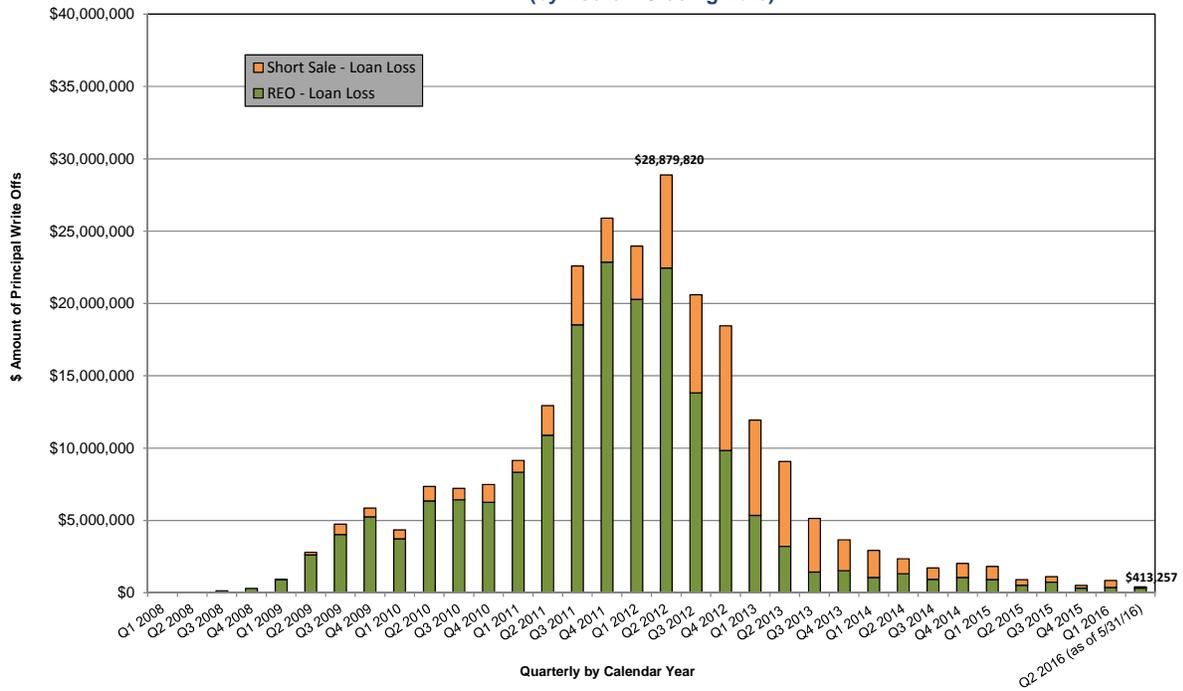
2016 Year to Date Composition of 1st Trust Deed Loss
(As of May 31, 2016)

Loan Type	Disposition				Principal Write-Offs
	Repurchased by Lender	Market Sales	Short Sales	Loan Balance at Sales	
FHA/RHS/VA	7		0	\$ 913,916	
Conventional		21	15	9,209,666	\$ (1,263,275)
	7	21	15	\$ 10,123,582	\$ (1,263,275)

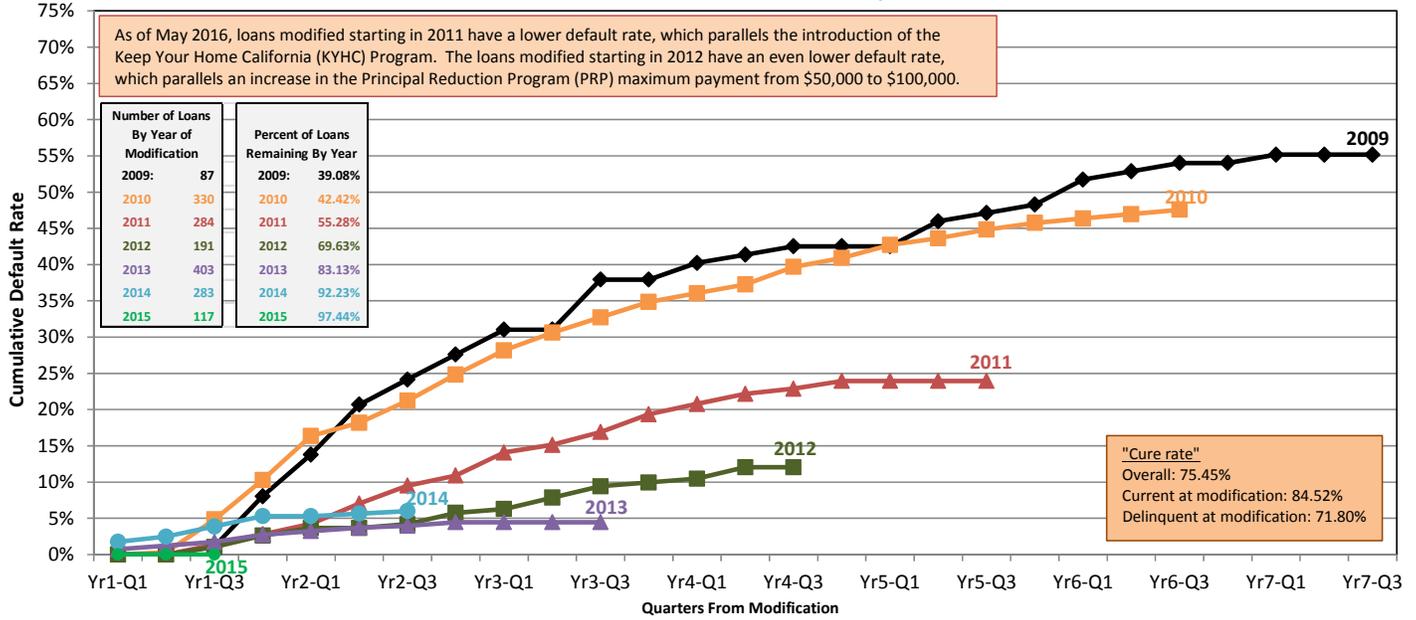
Accumulated Uninsured Loss from Sale of Conventional REOs & Short Sales
(by Escrow Closing Date)



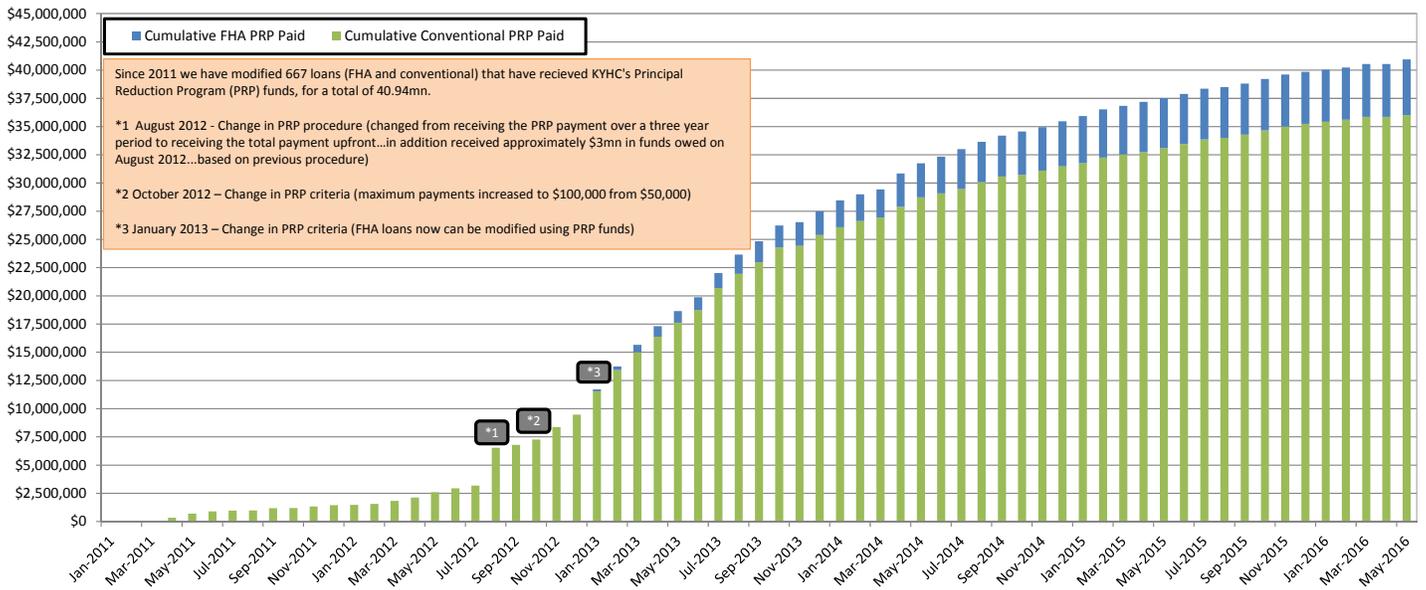
Comparison of Quarterly Uninsured Loss from Sale of Conventional REOs & Short Sales
(by Escrow Closing Date)



Cumulative Default Rate For Conventional Modified Loans By Year of Modification



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



M E M O R A N D U M

To: CalHFA Board of Directors Date: June 30, 2016

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

Subject: Legislative Report

So much has happened since we last met – it has been a truly wild ride this year. I would like to start by congratulating the three Board members that were unanimously confirmed by the Senate this week – Janet Falk, Michael Gunning, and Eileen Gallagher. Nicely done! There is also a new budget in place, which included some language for housing – including language to streamline the administration of CalHFA's downpayment assistance programs, and the creation of a Director of Enterprise Risk Management position here at the Agency. There are other housing related budget trailer bills that are still pending, and will likely be taken up when the Legislature returns in August. The Governor's proposal to streamline the building process has been tied to a request for \$450 million in additional funds for housing programs. The details of that appropriation are still pending. More information about the Governor's proposal can be found here <http://www.hcd.ca.gov/byright.html>. AB 1618, which contains program language to implement the \$2 billion *No Place Like Home* Initiative was passed and moved to Enrollment today. It is expected that the Governor will sign the bill in the very near future. A bill to clarify the bonding provisions is expected to follow in August. Below you will find an update on other bills that may be of interest to you. As always, if you have any questions, please give me a call.

Affordable Housing

AB 2208 (**Santiago D**) Local planning: housing element: inventory of land for residential development.
Last Amend: 6/23/2016
Status: 6/23/2016-Read second time and amended. Re-referred to Com. on APPR.

Summary: This bill would revise the definition of land suitable for residential development to include sites above property owned or leased by a city, county, or city and county (air space).

AB 2441 (**Thurmond D**) Housing: Workforce Housing Pilot Program.
Last Amend: 6/20/2016
Status: 6/29/2016-From committee: Amend, and do pass as amended and re-refer to Com. on APPR. (Ayes 9. Noes 2.) (June 28).
Location: 6/29/2016-S. SECOND READING

Summary: Would create the Workforce Housing Pilot Program, pursuant to which the Department of Housing and Community Development, subject to the appropriation of funds for that purpose, would award grant funding to eligible recipients (cities, counties and qualified nonprofits) for the predevelopment costs, acquisition, construction, or rehabilitation of rental housing projects or units within rental housing projects that serve, and for providing downpayment assistance to, persons and families of low or moderate income. The bill would require all grant funds to be matched on a dollar-for-dollar basis, unless the eligible recipient is suffering a hardship and is unable to generate the matching funds.

AB 2450 (**Achadjian R**) Property taxation.

Last Amend: 6/15/2016

Status: 6/29/2016-Action From GOV. & F.: Do pass as amended.To APPR..

Location: 6/29/2016-S. APPR.

Summary: Current property tax law requires the county assessor to consider, when valuing real property for property taxation purposes, the effect of any enforceable restrictions to which the use of the land may be subjected. Under existing law these restrictions include, but are not limited to, zoning, recorded contracts with governmental agencies, and various other restrictions imposed by governments. This bill would require contracts with governmental agencies that restrict the use of the property to owner-occupied housing available at affordable housing cost to be recorded.

AB 2518 (**Gomez D**) Sales and use taxes: exemption: nonprofit corporation: building and construction supplies.

Last Amend: 5/18/2016

Status: 5/27/2016-Joint Rule 62(a), file notice suspended. (Page 4943.) In committee: Held under submission.

Location: 5/25/2016-A. APPR. SUSPENSE FILE

Summary: This bill, until January 1, 2020, would partially exempt from those taxes the gross receipts from the sale of, and the storage, use, or other consumption in this state of, building and construction supplies, materials, equipment, and machinery, and the parts thereof, that are purchased for a specified use by a nonprofit corporation, as provided.

AB 2818 (**Chiu D**) Property taxation: community land trust.

Last Amend: 6/22/2016

Status: 6/29/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (June 29). Re-referred to Com. on APPR.

Location: 6/29/2016-S. APPR.

Summary: Would require the county assessor to consider, when valuing real property for property taxation purposes, a contract that is a 99 -year ground lease between a community land trust, as defined, and the qualified owner, as defined, of an owner-occupied single-family dwelling or an owner-occupied unit in a multifamily dwelling and that subjects a

single-family dwelling or unit in a multifamily dwelling, and the land on which the dwelling or unit is situated that is required for the convenient occupation and use of that dwelling or unit, to affordability restrictions, as defined.

SB 1413 **(Leno D)** School districts: employee housing.
 Last Amend: 6/16/2016
 Status: 6/27/2016-Read second time. Ordered to third reading.
 Location: 6/27/2016-A. THIRD READING

Summary: This bill would authorize a school district to establish and implement programs, as provided, that address the housing needs of teachers and school district employees who face challenges in securing affordable housing.

Bond Acts

SB 879 **(Beall D)** Affordable Housing Bond Act of 2016.
 Last Amend: 6/16/2016
 Status: 6/29/2016-June 29 set for first hearing. Placed on APPR. suspense file.
 Location: 6/29/2016-A. APPR. SUSPENSE FILE

Summary: Would enact the Affordable Housing Bond Act of 2016, which, if adopted, would authorize the issuance of bonds in the amount of \$3,000,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, as provided.

CalHFA

AB 2280 **(Ridley-Thomas D)** California Housing Finance Agency: program eligibility requirements: changes.
 Last Amend: 4/21/2016
 Status: 6/29/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 3.) (June 28). Re-referred to Com. on APPR.
 Location: 6/29/2016-S. APPR.

Summary: Would require the California Housing Finance Agency, within 5 business days of making a change to the eligibility requirements for a housing or lending program that the agency administers, to provide a lender or other party participating in the program notice of the change unless providing that notice within 5 business days would impose an undue burden on the agency. The bill would authorize the notice to be provided by a program bulletin.

Density Bonus

AB 1934 **(Santiago D)** Planning and zoning: development bonuses: mixed-use projects.
 Last Amend: 6/14/2016
 Status: 6/28/2016-Action From T. & H.: Do pass as amended.To APPR..
 Location: 6/28/2016-S. APPR.

Summary: Would require, when an applicant for approval for commercial development agrees to partner with an affordable housing developer to construct a joint project or 2 separate projects encompassing affordable housing, a city, county, or city and county to grant to the commercial developer a development bonus, as specified. The bill would define the development bonus to mean incentives mutually agreed upon by the developer and the jurisdiction including, but not limited to, specified variances.

AB 2501 **(Bloom D)** Housing: density bonuses.
 Last Amend: 6/15/2016
 Status: 6/21/2016-In committee: Set, first hearing. Testimony taken. Further hearing to be set.
 Location: 6/15/2016-S. T. & H.

Summary: Would revise and recast specified provisions to require the local government to adopt procedures and timelines for processing a density bonus application, provide a list of documents and information required to be submitted with the application in order for it to be deemed complete, and notify the applicant whether it is complete. By increasing the duties of local officials, this bill would impose a state-mandated local program.

AB 2556 **(Nazarian D)** Density bonuses.
 Last Amend: 6/14/2016
 Status: 6/22/2016-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 11. Noes 0.) (June 21). Re-referred to Com. on APPR.
 Location: 6/22/2016-S. APPR.

Summary: Would revise that definition of “replace” to require a rebuttable presumption, based on certain federal data, regarding the proportion of lower income renter households that occupy existing units, if the income category of the households in occupancy is not known.

Farmworker Housing

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

Last Amend: 5/31/2016

Status: 6/22/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 1.) (June 22). Re-referred to Com. on APPR.

Location: 6/22/2016-S. APPR.

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 in which at least 50% of the units are available to, and occupied by, farmworkers and their households.

Homeless

AB 2821 (Chiu D) Medi-Cal Housing Program.

Last Amend: 6/16/2016

Status: 6/29/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 1.) (June 28). Re-referred to Com. on APPR.

Location: 6/29/2016-S. APPR.

Summary: Would require HCD, in coordination with DHCS, to, on or before July 1, 2017, establish the Medi-Cal Housing Program and on or before December 1, 2017, and every year thereafter, subject to appropriation by the Legislature, award grants on a competitive basis to eligible grant applicants participating in a Whole Person Care pilot program, a program under the Medi-Cal program that provides specified entities with the option to receive support to integrate care for a particularly vulnerable group of Medi-Cal beneficiaries, including individuals who are experiencing or are at risk of homelessness, that includes eligibility based on homelessness, or with Medi-Cal managed care plans administering the Health Home Program.

SB 1380 (Mitchell D) Homeless Coordinating and Financing Council.

Last Amend: 6/20/2016

Status: 6/29/2016-From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 5. Noes 2.) (June 29).

Location: 6/29/2016-A. SECOND READING

Summary: Would require a state agency or department that funds, implements, or administers a state program that provides housing or housing-related services to people experiencing homelessness or at risk of homelessness, except as specified, to revise or adopt guidelines and regulations to include enumerated Housing First policies. The bill would also establish the Homeless Coordinating and Financing Council to oversee the implementation of the Housing First guidelines and regulations and, among other things, to identify resources, benefits, and services that can be accessed to prevent and end homelessness in California.

Housing Element

AB 2685 **(Lopez D)** Housing elements: adoption.
 Last Amend: 5/11/2016
 Status: 6/22/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 0.) (June 21). Re-referred to Com. on APPR.
 Location: 6/22/2016-S. APPR.

Summary: The Planning and Zoning Law requires a city or county to adopt a comprehensive, long-term general plan for the physical development of the city or county and of any land outside its boundaries that bears relation to its planning. That law also requires the general plan to contain specified mandatory elements, including a housing element for the preservation, improvement, and development of housing. This bill would require the planning agency staff to collect and compile public comments and provide them to each member of the legislative body prior to the adoption of the housing element.

Land Use Planning

AB 2299 **(Bloom D)** Land use: housing: 2nd units.
 Last Amend: 4/5/2016
 Status: 6/29/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 0.) (June 29). Re-referred to Com. on APPR.
 Location: 6/29/2016-S. APPR.

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.

AB 2406 **(Thurmond D)** Housing: junior accessory dwelling units.
 Last Amend: 6/8/2016
 Status: 6/16/2016-Read second time. Ordered to third reading.
 Location: 6/16/2016-S. THIRD READING

Summary: The Planning and Zoning Law authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential areas, as prescribed. This bill would, in addition, 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.

AB 2501 **(Bloom D)** Housing: density bonuses.
 Last Amend: 6/15/2016

Status: 6/21/2016-In committee: Set, first hearing. Testimony taken. Further hearing to be set.

Location: 6/15/2016-S. T. & H.

Summary: Would revise and recast specified provisions to require the local government to adopt procedures and timelines for processing a density bonus application, provide a list of documents and information required to be submitted with the application in order for it to be deemed complete, and notify the applicant whether it is complete.

AB 2556 (Nazarian D) Density bonuses.

Last Amend: 6/14/2016

Status: 6/22/2016-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 11. Noes 0.) (June 21). Re-referred to Com. on APPR.

Location: 6/22/2016-S. APPR.

Summary: Would revise that definition of "replace" to require a rebuttable presumption, based on certain federal data, regarding the proportion of lower income renter households that occupy existing units, if the income category of the households in occupancy is not known.

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

Last Amend: 6/27/2016

Status: 6/27/2016-Read second time and amended. Ordered to third reading.

Location: 6/27/2016-S. THIRD READING

Summary: This bill would, authorize a housing organization, as defined, to bring an action challenging the disapproval of a housing development pursuant to these provisions

SB 1069 (Wieckowski D) Land use: zoning.

Last Amend: 6/16/2016

Status: 6/16/2016-Read second time and amended. Re-referred to Com. on L. GOV.

Location: 6/16/2016-A. L. GOV.

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 replace the term "second unit" with "accessory dwelling unit" throughout the law.

Mortgage Lending

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

Last Amend: 6/23/2016

Status: 6/29/2016-From committee: Do pass as amended. (Ayes 7. Noes 3.) (June 28).

Location: 6/23/2016-A. SECOND READING

Summary: Would prohibit a mortgage servicer, upon notification that a borrower has died, from recording a notice of default until the mortgage servicer does certain things, including requesting reasonable documentation of the death of the borrower from a claimant, who is someone claiming to be a successor in interest, who is not a party to the loan or promissory note and providing a reasonable period of time for the claimant to present the requested documentation. The bill would deem a claimant a successor in interest, as defined, upon receipt by a mortgage servicer of the reasonable documentation regarding the status of the claimant.

Tax Increment

AB 2031 (**Bonta D**) Local government: affordable housing: financing.
 Last Amend: 3/17/2016
 Status: 6/29/2016-Action From GOV. & F.: Do pass as amended.
 Location: 6/29/2016-S. GOV. & F.

Summary: Would authorize a city or county that formed a redevelopment agency and became the successor agency that received a finding of completion from the Department of Finance to reject its allocations of property tax revenues from the trust fund. The bill would direct those rejected property tax revenues to an affordable housing special beneficiary district, established as a temporary and distinct local governmental entity for the purposes of receiving a rejected distribution of property tax proceeds and promoting affordable housing by providing financing assistance within its boundaries.

Tax Credits

AB 1920 (**Chau D**) California Tax Credit Allocation Committee: low-income housing credit: fines.
 Last Amend: 6/8/2016
 Status: 6/15/2016-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 11. Noes 0.) (June 14). Re-referred to Com. on APPR.
 Location: 6/15/2016-S. APPR.

Summary: Current law establishes the Housing Rehabilitation Loan Fund, which is continuously appropriated to the Department of Housing and Community Development, to fund various housing-related purposes. This bill would authorize the California Tax Credit Allocation Committee to establish a specified schedule of fines for violations of the terms and conditions, the regulatory agreement, other agreements, or program regulations. The bill would require the committee to define serious violations and, except for serious violations, would require a first-time property owner violator to be given the opportunity to correct the violation before the fine is imposed. The bill would authorize a property owner to appeal a fine

to the committee.

AB 2140 **(Hernández, Roger D)** Income taxes: insurance tax: credits: low-income housing: farmworker housing assistance.
Last Amend: 5/31/2016
Status: 6/22/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 1.) (June 22). Re-referred to Com. on APPR.
Location: 6/22/2016-S. APPR.

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 in which at least 50% of the units are available to, and occupied by, farmworkers and their households.

AB 2817 **(Chiu D)** Taxes: credits: low-income housing: allocation increase.
Last Amend: 5/27/2016
Status: 6/29/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (June 28). Re-referred to Com. on APPR.
Location: 6/29/2016-S. APPR.

Summary: Would, for calendar years beginning 2017, increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$300,000,000, as specified. The bill would also increase the amount the committee may allocate to farmworker housing projects from \$500,000 to \$25,000,000 per year.

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