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RESOLUTION NO. 15-11

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

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

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

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

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

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

ARTICLE I

AUTHORIZATION AND TERMS OF BORROWING TO FINANCE THE PROGRAM

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

1 Section 2. Authorization. The borrowing of Externally-Sourced Non-Bond Funds
2 described in Section 1 is hereby authorized to be for the purpose of financing and/or refinancing
3 Loans for the acquisition, construction, rehabilitation, refinancing or development of
4 Developments
5

6 Section 3. Approval of Non-Bond Fund Financing Agreements and Certain Other
7 Financing Documents. The Executive Director and the Secretary are hereby authorized and
8 directed, for and on behalf and in the name of the Agency, if appropriate, to execute and
9 acknowledge and to deliver with respect to the borrowing of Externally-Sourced Non-Bond
10 Funds, financing agreements, loan agreements, certificates of participation, investment
11 agreements, purchase and sale agreements, forward purchase agreements, forward rate-lock
12 agreements, and other agreements as may be necessary.
13

14 Section 4. Approval of Forms and Terms of Externally-Sourced Non-Bond Funds.
15 Externally-Sourced Non-Bond Funds shall be in such denominations, have such registration
16 provisions, be executed in such manner, be payable in such medium of payment at such place or
17 places within or without California and contain such terms and conditions as each agreement for
18 the provision of Externally-Sourced Non-Bond Funds, as finally approved, shall provide.
19 Externally-Sourced Non-Bond Funds shall have the maturity or maturities and shall bear interest
20 at fixed or convertible rates deemed appropriate by the Executive Director in furtherance of the
21 objectives of the Program.
22

23 Externally-Sourced Non-Bond Funds and the related agreements may contain such
24 provisions as may be necessary to accommodate prepayment by or on behalf of the Agency or a
25 person other than the Agency, and/or to accommodate the requirements of any provider of
26 insurance or other credit enhancement.
27

28 Externally-Sourced Fund Terms. No Externally-Sourced Non-Bond Funds shall be
29 borrowed at a variable rate of interest or have a term in excess of fifty years or bear interest at a
30 stated rate in excess of fifteen percent (15%) per annum. All first-lien mortgage loans financed
31 by Externally-Sourced Non-Bond Funds may or may not carry FHA risk sharing insurance or
32 other mortgage insurance or comparable credit enhancement.
33

34 **ARTICLE II**

35 **AUTHORIZATION AND TERMS OF USE OF AGENCY NON-BOND FUNDS TO** 36 **FINANCE THE PROGRAM**

37 Section 5. Determination of Need and Amount of Internal Agency Non-Bond Funds
38 to Finance Programs. The Agency is of the opinion and hereby determines that the use of the
39 funds of the Agency or from non-bond sources under Agency control (“Agency Non-Bond
40 Funds”) is necessary to provide sufficient funds for new lending under the Program.
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43 The use of the Agency’s Housing Assistance Trust (HAT) funds for the purposes
44 authorized under this resolution shall not exceed \$50,000,000.
45
46

1 Section 6. Authorization.

2
3 (a) The use of Agency Non-Bond Funds described in Section 5 is hereby
4 authorized for the purpose of financing, carrying or warehousing, for future committed financing
5 of the Agency by Externally-Sourced Non-Bond Funds or otherwise, or by other lenders, new
6 Loans for the acquisition, construction, rehabilitation, refinancing or development of
7 Developments, including providing subordinate or gap financing and to supplement interest rates
8 or costs of the financing of Loans by the Agency as may be permitted under the statutes,
9 regulations and/or agreements governing the use of such funds.

10
11 (b) Security/Affordability Protection: Agency Non-Bond Funds may also be
12 used to provide supplemental financing for projects existing within the Agency's Loan portfolio
13 that the Executive Director determines is necessary, reasonable and in the Agency's best interest
14 for the purposes of (1) workouts to prevent defaults; (2) repairs for health and safety issues and
15 related costs; (3) the preservation or enhancement of affordability; and (4) other purposes as
16 determined by the Executive Director that advance the mission of the Agency.

17
18 **ARTICLE III**

19
20 **PROVISIONS APPLICABLE TO THE USE OF EXTERNALLY-SOURCED NON-BOND**
21 **FUNDS AND AGENCY NON-BOND FUNDS (COLLECTIVELY "NON-BOND FUNDS")**
22 **AUTHORIZED UNDER THIS RESOLUTION**
23

24 Section 7. Authorization of the use of Non-Bond Funds for Lending within the
25 Program. The use of Non-Bond Funds is hereby authorized with regard to Programs as
26 determined by the Executive Director and communicated to the Board.

27
28 Section 8. Authorization of Program Documents. The Executive Director and the
29 other employees authorized pursuant to Section 11 ("Authorized Employees") are hereby
30 authorized and directed to execute all documents they deem necessary or appropriate in
31 connection with the Program, including, but not limited to, regulatory agreements, loan
32 agreements, origination and servicing agreements (or other loan-to-lender documents), servicing
33 agreements, developer agreements, financing agreements, investment agreements, intercreditor
34 agreements, subordination agreements, agreements to enter into escrow and forward purchase
35 agreements, escrow and forward purchase agreements, refunding agreements and continuing
36 disclosure agreements, loan modification agreements, in each case with such other parties as the
37 Executive Director may select in furtherance of the objectives of the Program.

38
39 The Executive Director and the other Authorized Employees are hereby authorized to
40 enter into, for and in the name and on behalf of the Agency, one or more mortgage sale
41 agreements with such purchasers as the Executive Director may select in accordance with the
42 objectives of the Program. Any such sale of Loans may be on either a current or a forward
43 purchase basis.

44
45 The Executive Director and the Authorized Employees are hereby authorized to enter
46 into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of

1 mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the
2 Executive Director may select in accordance with the objectives of the Program.

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

12
13 Section 9. Ratification of Prior Actions; Not a Repeal of Prior Resolutions.

14
15 (a) All actions previously taken by the officers of the Agency in connection
16 with the implementation of the Program, the execution and delivery of related financial
17 agreements and related program agreements and the implementation of any credit facilities as
18 described above are hereby approved and ratified.

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

27
28 Section 10. Authorization of Related Actions and Agreements.

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

1 are hereby authorized and directed, jointly and severally, to provide as necessary for payment of
2 costs of borrowing related to Externally-Sourced Non-Bond Funds and to provide for the Agency
3 to contribute capital as necessary to facilitate the borrowing of Externally-Sourced Non-Bond
4 Funds.
5

6 This resolution shall constitute full, separate, complete and additional authority for the
7 execution and delivery of all agreements and instruments described in this resolution, without
8 regard to any limitation in the Agency's regulations and without regard to any other resolution of
9 the Board that does not expressly amend and limit this resolution.
10

11 Section 11. Additional Delegation. All actions by the Executive Director approved or
12 authorized by this resolution may be taken by the Chief Deputy Director of the Agency, the
13 Director of Financing of the Agency, the Financing Risk Manager of the Agency, the Director of
14 Multifamily Programs of the Agency or any other person specifically authorized in writing by
15 the Executive Director, and except to the extent otherwise taken by another person shall be taken
16 by the Chief Deputy Director during any period in which the office of the Executive Director is
17 vacant.
18

19 Section 12. Duration of Authority. The authority granted under this resolution shall
20 remain in full force and effect until the day 60 days after the first date after March 1, 2016 on
21 which is held a meeting of the Board of Directors of the Agency at which there is a quorum.
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SECRETARY'S CERTIFICATE

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. 15-11 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 14th day of May 2015, of which meeting all said directors had due notice; and that at said meeting said resolution was adopted by the following vote:

AYES: CABALLERO, SCHAEFER (for Chiang), GUNN (for Endsley), FALK, AVILA
FARIAS, PRINCE, SOTELO, JACOBS

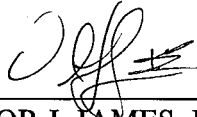
NOES:

ABSTENTIONS:

ABSENT: GUNNING, JOHNSON-HALL, HUNTER, RIGGS

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 14th day of May 2015.

[SEAL]



VICTOR J. JAMES, II
Secretary of the Board of Directors of the
California Housing Finance Agency