



Financing Resolutions Overview

- Four resolutions, in aggregate, delegate authority to the Executive Director and staff to continue to conduct the business of the Agency through its Single Family and Multifamily production units
 - Effective from passage through an expected date of May 2023 (60 days after the first Board meeting after March 1, 2023)
 - Authorizes the Executive Director, a designee for the Executive Director, Chief Deputy Director, and the Director of Financing to execute actions as specified in each Resolution
 - Confirms all actions taken to date
- The fifth resolution allows the Agency to apply for volume cap from CDLAC
- The Board approved the non-bond and CDLAC resolutions at the March meeting



Financing Resolutions Overview

Staff is recommending approval of the following resolutions:

	Multifamily Programs		Single Family Programs	
Bond	Agenda Item 4	Resolution 22-06	Agenda Item 5	Resolution 22-08



Multifamily Bond Resolution

Resolution 22-06 authorizes the Agency to:

- Issue multifamily revenue bonds (Allocated Volume Cap + \$500 million)
- Act as an issuer of conduit bonds (\$2.5 billion)
- Enter into hedges for multifamily commitments
- Obtain credit facilities for bond recycling program (\$1 billion, with Resolution 22-08)
- Refinance/restructure outstanding bonds

The Agency has:

- Issued multifamily revenue bonds most recently in 2018
- Served as a conduit issuer of \$1.6 billion in 2021, including \$157 million in recycled volume
- Purchased interest rate hedges in anticipation of higher interest rates

Reporting to the Board includes:

- Multifamily Loan Production Report (Multifamily)
- Agency Bonds, Interest Rate Swaps, and Financing Risk Factors Report (Financing)



Single Family Bond Resolution

Resolution 22-08 authorizes the Agency to

- Issue new money MBS bonds for single family programs on a fixed-rate basis (\$1 billion)
- Refinance/restructure outstanding bonds

The Agency has:

- Last issued new money MRB bonds in 2009, and refunding bonds in 2017
- Last issued new money MBS bonds in 2011, and refunding bonds in 2013

Reporting to the Board includes:

- Agency Bonds, Interest Rate Swaps, and Financing Risk Factors Report (Financing)



Financial Policies Overview

Staff is recommending approval of the following resolutions:

Amended & Restated Financial Risk Management Policy	Agenda Item 6	Resolution 22-11
Amended & Restated Investment and Debt Management Policy	Agenda Item 7	Resolution 22-12
New Amended & Restated Disclosure Policy	Agenda Item 8	Resolution 22-13



Financial Policies Overview

The Agency has the following financial policies that have been amended from time to time. The Board has approved the Investment and Master Hedge Policies.

- Investment Policy (March 14, 2012)
- Master Hedge Policy (April 21, 2014)
- Disclosure Policy (October 22, 2014)

The amended and restated policies have changed and expanded the scope of the policies:

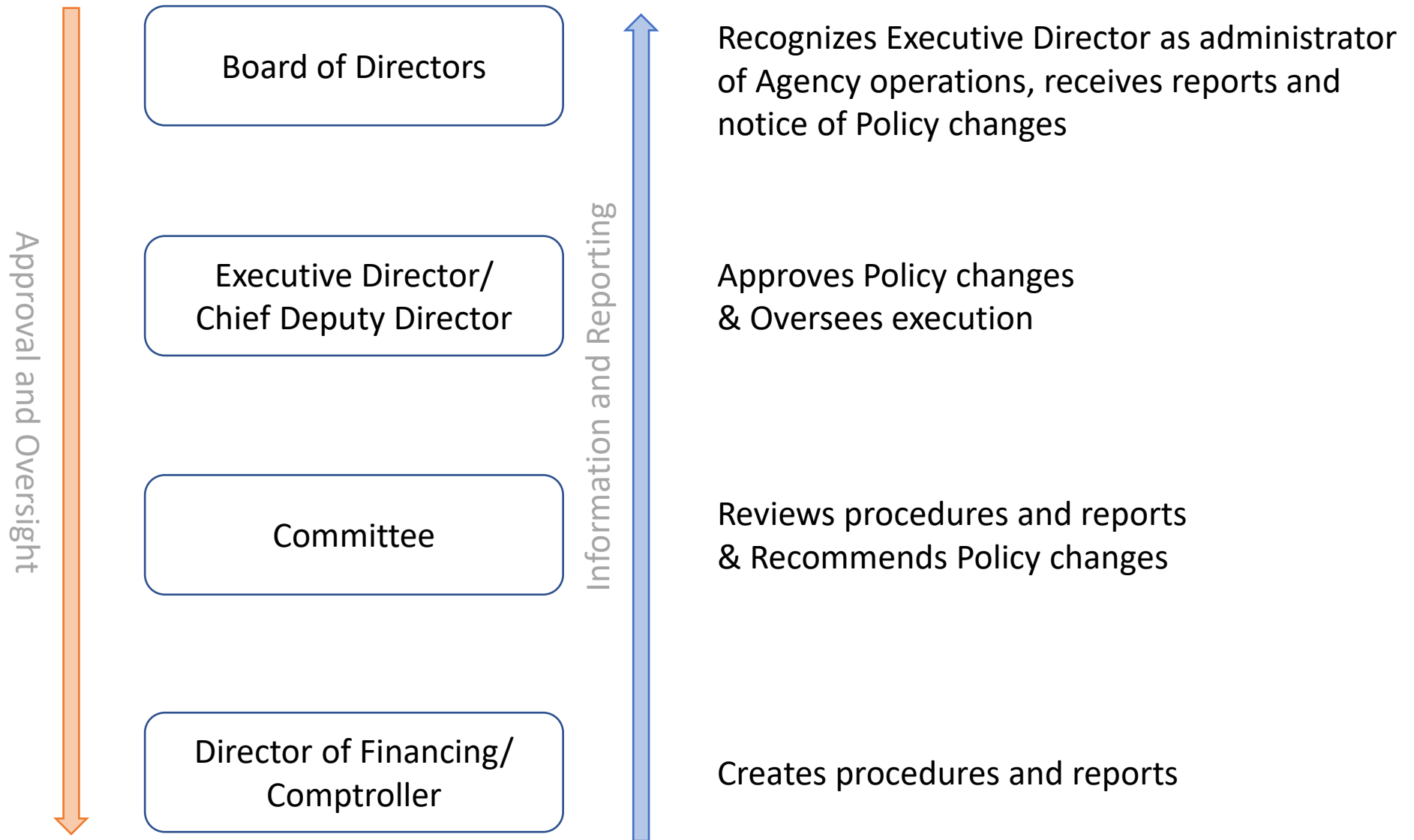
- Investment Policy to Investment and Debt Management Policy
- Master Hedge Policy to Financial Risk Management Policy

The policies include a common change in the oversight and reporting structure that extends from the Board to the written procedures adopted by the Financing Division

The policies also streamline the committee structure and empowers each committee to make recommendations to the Executive Director on topics covered by the policies



Financial Policies – Reporting Structure





Financial Policies - Committee Structure

- The draft committee structure reduces the number of committees from five to three
- The sizes of the committees are decreased from a maximum size of 12 members to seven members

	Financial Risk Management	Investment & Debt Management	Disclosure
Dir. of Financing	Chair	Chair	Chair
Dir. of ERM & Compliance	Vice-Chair	Member*	Member*
Comptroller	Member	Vice-Chair	Vice-Chair
General Counsel	Member*	Member*	Member*
Risk Manager	Member	Member	Member
Dir. of Homeownership			Member*
Dir. Of Multifamily Prog.			Member*

**can designate another individual*



Financial Policies – Scope and Proposed Changes

Financial Risk Management Policy

New Interest Rate Swaps for Multifamily Perm Loans

- + Counterparty requirements
- + Emergency Reserve Account
- + Hedge Reserve Account
- + Existing Orphan Swaps
- + Single Family/Multifamily Portfolio Risks

Investment and Debt Management Policy

Eligible securities for CalHFA investments

- Investment Parameters
- Authorized Investment Managers
- + Debt issuance & debt reporting
- + Internal controls detail

Disclosure Policy

Disclosure oversight committee to review obligations

Website disclosure practices

- Financial statement committee to review MD&A section of financials
- Joint committee to review annual financial statement
- Debt issuance