

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY
3

4 RESOLUTION NO. 18-11
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6 RESOLUTION AUTHORIZING THE FINANCING OF THE AGENCY'S MULTIFAMILY
7 HOUSING PROGRAM FROM NON-BOND SOURCES AND RELATED FINANCIAL
8 AGREEMENTS AND CONTRACTS FOR SERVICES
9

10 WHEREAS, the California Housing Finance Agency (the "Agency") has
11 determined that there exists a need in California for the financing of mortgage loans for the
12 acquisition, construction, rehabilitation, refinancing or development of multi-unit rental housing
13 developments for the purpose of providing housing for persons and families of low or moderate
14 income (the "Developments");
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16 WHEREAS, the Agency has determined that it is in the public interest for the
17 Agency to assist in providing such financing by means of an ongoing program (the "Program")
18 to make or acquire, or to make loans to lenders to make or acquire, mortgage loans, for the
19 purpose of financing such Developments (the "Loans");
20

21 WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety
22 Code of the State of California (the "Act"), the Agency has the authority to borrow money and
23 utilize its own funds as necessary to provide sufficient funds to finance the Program, including
24 the making of Loans, and the payment of other costs of the Agency incident to, and necessary or
25 convenient to, the borrowing of money or use of the Agency's own funds; and
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27 WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit
28 facilities, certificates of participation, forward interest rate locks, forward purchase agreements,
29 purchase and sale agreements, financing agreements, loan agreements and certain other
30 agreements for the purpose of financing the Program, including the making of Loans and the
31 payment of other costs of the Agency incident to, and necessary or convenient to, the financing
32 of the Program from non-bond sources;
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34 NOW, THEREFORE, BE IT RESOLVED, by the California Housing Finance
35 Agency as follows:
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37 ARTICLE I
38

39 AUTHORIZATION AND TERMS OF BORROWING TO FINANCE THE PROGRAM
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41 Section 1. Determination of Need and Amount of Borrowing to Finance
42 Programs. The Agency is of the opinion and hereby determines that the borrowing of funds
43 from external non-bond sources ("Externally-Sourced Non-Bond Funds"), including but not
44 limited to financing provided by the Federal Government, the selling or securitization of Loans
45 within the Agency's portfolio ("Agency Loans"), the pledge of Agency Loans as collateral to

1 secure financing, assigning or participations in Agency Loans is necessary to provide sufficient
2 funds for new lending under the Program.

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4 **Section 2. Authorization.** The borrowing of Externally-Sourced Non-Bond
5 Funds described in Section 1 is hereby authorized to be for the purpose of financing and/or
6 refinancing Loans for the acquisition, construction, rehabilitation, refinancing or development of
7 Developments and may be secured as to repayment by a general obligation pledge of the
8 Agency.

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

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

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

31
32 *Externally-Sourced Fund Terms.* No Externally-Sourced Non-Bond Funds shall
33 be borrowed at a term in excess of fifty-five years or bear interest at a stated rate in excess of
34 fifteen percent (15%) per annum.

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36 **ARTICLE II**

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38 **AUTHORIZATION AND TERMS OF USE OF AGENCY NON-BOND FUNDS TO**
39 **FINANCE THE PROGRAM**

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41 **Section 5. Determination of Need and Amount of Internal Agency Non-Bond**
42 **Funds to Finance Programs.** The Agency is of the opinion and hereby determines that the use
43 of the funds of the Agency or from non-bond sources under Agency control (“Agency Non-Bond
44 Funds”) is necessary to provide sufficient funds for new lending under the Program.

1 The use of the Agency’s Housing Assistance Trust (HAT) funds for the purposes
2 authorized under this resolution shall not exceed \$75,000,000, concurrently outstanding. The
3 foregoing limitation does not apply to other Agency Non-Bond Funds.
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5 **Section 6. Authorization.** The use of Agency Non-Bond Funds described in
6 Section 5 is hereby authorized for the purpose of financing, carrying or warehousing, for future
7 committed financing of the Agency by Externally-Sourced Non-Bond Funds or otherwise, or by
8 other lenders, new Loans for the acquisition, construction, rehabilitation, refinancing or
9 development of Developments, including providing subordinate or gap financing and to
10 supplement interest rates or costs of the financing of Loans by the Agency as may be permitted
11 under the statutes, regulations and/or agreements governing the use of such funds.
12

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

21 PROVISIONS APPLICABLE TO THE USE OF EXTERNALLY-SOURCED NON-BOND 22 FUNDS AND AGENCY NON-BOND FUNDS (COLLECTIVELY “NON-BOND FUNDS”) 23 AUTHORIZED UNDER THIS RESOLUTION 24

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26 **Section 7. Authorization of the use of Non-Bond Funds for Lending within**
27 **the Program.** The use of Non-Bond Funds is hereby authorized with regard to Programs as
28 determined by the Executive Director.
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30 **Section 8. Authorization of Program Documents.** The Executive Director and
31 the other employees authorized pursuant to Section 11 (“Authorized Employees”) are hereby
32 authorized and directed to execute all documents they deem necessary or appropriate in
33 connection with the Program, including, but not limited to, regulatory agreements, loan
34 agreements, origination and servicing agreements (or other loan-to-lender documents), servicing
35 agreements, developer agreements, financing agreements, investment agreements, intercreditor
36 agreements, subordination agreements, agreements to enter into escrow and forward purchase
37 agreements, escrow and forward purchase agreements, refunding agreements and continuing
38 disclosure agreements, loan modification agreements, in each case with such other parties as the
39 Executive Director may select in furtherance of the objectives of the Program.
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41 The Executive Director and the other Authorized Employees are hereby
42 authorized to enter into, for and in the name and on behalf of the Agency, one or more mortgage
43 sale agreements with such purchasers as the Executive Director may select in accordance with
44 the objectives of the Program. Any such sale of Loans may be on either a current or a forward
45 purchase basis.
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1 The Executive Director and the Authorized Employees are hereby authorized to
2 enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of
3 mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the
4 Executive Director may select in accordance with the objectives of the Program.
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6 The Executive Director and the other Authorized Employees are hereby
7 authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale
8 of foreclosed properties with such purchasers as the Executive Director may select in accordance
9 with the objectives of the Program. Any such sale of foreclosed properties may be on an all cash
10 basis or may include financing by the Agency. The Executive Director and the other Authorized
11 Employees are also authorized to enter into any other agreements, including but not limited to
12 real estate brokerage agreements and construction contracts, necessary or convenient for the
13 rehabilitation, listing and sale of such foreclosed properties.
14

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

16 All actions previously taken by the officers of the Agency in connection with the implementation
17 of the Program, the execution and delivery of related financial agreements and related program
18 agreements and the implementation of any credit facilities as described above are hereby
19 approved and ratified.
20

21 This resolution is not intended to repeal in whole or in part any prior resolution of
22 the Agency with respect to the authority granted to the Executive Director and the other
23 Authorized Employees in relation to the use of Non-Bond Funds and related agreements,
24 including but not limited to (1) the authority to determine in furtherance of the objectives of the
25 Program those matters required to be determined in relation to Non-Bond Funds, whether under
26 indentures or other related agreements, and (2) the authority to amend, modify or replace
27 financial agreements of the types described in Section 3 of this Resolution.
28

29 **Section 10. Authorization of Related Actions and Agreements.** 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, together with any extensions or other amendments thereto, may
40 include, but are not limited to, reimbursement agreements, letter of credit agreements,
41 intercreditor agreements or other arrangements relating to any credit enhancement or liquidity
42 support, continuing disclosure agreements and agreements for necessary services provided in the
43 course of the borrowing of the Externally-Sourced Non-Bond Funds, including but not limited
44 to, agreements with counsel and financial advisors and contracts for consulting services or
45 information services relating to the financial management of the Agency, including advisors or
46 consultants on interest rate swaps, cash flow management, and similar matters, and contracts for

1 financial printing and similar services. The Executive Director, any persons authorized in
2 writing by the Executive Director and the other Authorized Employees are hereby authorized and
3 directed, jointly and severally, to provide as necessary for payment of costs of borrowing related
4 to Externally-Sourced Non-Bond Funds and to provide for the Agency to contribute capital as
5 necessary to facilitate the borrowing of Externally-Sourced Non-Bond Funds.
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7 This resolution shall constitute full, separate, complete and additional authority
8 for the execution and delivery of all agreements and instruments described in this resolution,
9 without regard to any limitation in the Agency's regulations and without regard to any other
10 resolution of the Board that does not expressly amend and limit this resolution.
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12 **Section 11. Additional Delegation.** All actions by the Executive Director
13 approved or authorized by this resolution may be taken by the Chief Deputy Director of the
14 Agency, the Director of Financing of the Agency or any other person specifically authorized in
15 writing by the Executive Director and except to the extent otherwise taken by another person
16 shall be taken by the Chief Deputy Director during any period in which the office of the
17 Executive Director is vacant.
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19 **Section 12. Duration of Authority.** The authority granted under this resolution
20 shall remain in full force and effect until the day 60 days after the first date after March 1, 2019
21 on which is held a meeting of the Board of Directors of the Agency at which a quorum is present.
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SECRETARY'S CERTIFICATE

I, Marc J. Victor, the undersigned, do hereby certify that I am the duly authorized Acting 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. 18-11 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 15th day of March, 2018, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES: AVILA FARIAS, SCHAEFER (for CHIANG), ONODERA (for COHEN), GALLAGHER, GUNNING, HUNTER, METCALF, von KOCH-LIEBERT (for PODESTA), PRINCE, RUSSELL, SOTELO

NOES: None.

ABSTENTIONS: None.

ABSENT: JOHNSON-HALL

IN WITNESS WHEREOF, I have executed this certificate hereto this 15 day of MARCH 2018.

ATTEST: 
MARC J. VICTOR
Acting Secretary of the Board of Directors of the
California Housing Finance Agency