

1 BOARD OF DIRECTORS  
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3  
4 RESOLUTION NO. 19-07

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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");  
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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.

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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.  
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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.

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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.

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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.

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29           **Section 10. Authorization of Related Actions and Agreements.**

30 The Executive 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, 2020  
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, CLAIRE TAURIAINEN, 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. 19-07 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 18th day of March 2019, 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, Agee (for Ma), Gallagher, Johnson Hall, Metcalf, Podesta, Sotelo, Russell, Gunning
- NOES: None
- ABSTENTIONS: None
- ABSENT: Hunter, Imbasciani

IN WITNESS WHEREOF, I have executed this certificate hereto this 18<sup>th</sup> day of March 2019.

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