

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3
4 RESOLUTION NO. 20-16

5 EXECUTIVE DIRECTOR'S AUTHORITY TO ENTER INTO
6 MULTIFAMILY LOAN COMMITMENTS
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9 WHEREAS, Resolution 01-37 adopted November 8, 2001 granted the Executive Director
10 the ability to create an expedited small project process, pursuant to which loan commitments for
11 certain small projects, as defined therein, may be approved by the Executive Director, or in
12 absence of the Executive Director, the Chief Deputy Director or the Director of Multifamily
13 programs;

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15 WHEREAS, Resolution 01-37 further granted the Executive Director the ability to
16 include within such small project process any loans made under existing multifamily lending
17 programs, that do not exceed, in aggregate, the sum of \$4,000,000 for any single project. After
18 approval of a small project loan or loans by the Executive Director, the aggregate amount of such
19 loans for a single project may not be increased by an amount that exceeds \$4,000,000 by more
20 than seven percent (7%), without the further approval by the Board of Directors;

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22 WHEREAS, Resolution 01-37 further established that the small project process
23 established by the Executive Director shall not include loans made under newly developed
24 multifamily lending programs that have not previously been presented to the Board of Directors.
25 Newly developed multifamily lending programs were defined as any multifamily lending
26 program that did not otherwise exist at the time of the Resolution;

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28 WHEREAS, the Agency's Multifamily Programs have changed in response to market
29 needs since the adoption of Resolution 01-37. The multifamily lending programs have
30 discontinued making individual project loans which are less than \$5,000,000. The primary focus
31 of multifamily lending programs is currently its first lien permanent loan program with larger
32 loan amounts.

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34 WHEREAS, loans exceeding \$4,000,000 have constituted an increasing percentage of
35 total new production and pipeline for the Agency's Multifamily programs with average loan size
36 in each of the last three years increasing (2018: \$7.8 million, 2019: \$8.1 million, 2020 YTD: \$8.6
37 million).

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39 WHEREAS, at the Board of Directors Meeting on July 9, 2020 multifamily staff
40 requested direction on potentially modifying the Executive Director's Lending Authority.
41 General support was received from the Board with feedback indicating support for an increase in
42 the Executive Director's Lending Authority to a level that would translate to Board of Director
43 approval of 30% of total loan commitments;

1 WHEREAS, at the July 9th, 2020 meeting Agency staff presented information that based
2 on the project capital structures for projects participating in the Agency's 2019-2020 Multifamily
3 Mixed Income Program, the average first lien permanent loan amount was \$26.6 million.

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5 WHEREAS, staff and management have continued to develop strong underwriting,
6 credit, asset management and loan administration capabilities;

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8 WHEREAS, granting the Executive Director the authority to approve higher loan
9 Commitments up to \$15,000,000 will help streamline and expedite the Agency's first lien
10 permanent lending approval and closing process; and

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12 WHEREAS, such expedited processing of Agency loan approval and closing will
13 potentially improve Agency's competitive position in the first lien permanent lending market;

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15 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the
16 California Housing Finance Agency as follows:

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18 1. Loan commitments under the Multifamily First Lien Permanent Loan Program,
19 may be approved by the Executive Director, or in the absence of the Executive Director, the
20 Chief Deputy Director.

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22 2. The Executive Director may include within this approval authority any loans
23 made under existing multifamily lending programs, that do not exceed, in the aggregate, the sum
24 of \$15,000,000 for any single project. After approval of a project loan or loans by the Executive
25 Director, the aggregate amount of such loans for a single project may not be increased by an
26 amount that exceeds \$15,000,000 by more than seven percent (7%), without the further approval
27 by the Board of Directors.

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29 3. Any loans for a newly developed program that has not previously been presented
30 to the Board, which does not otherwise exist at the time of this Resolution, and that, in the
31 opinion of the Executive Director, is significantly different from existing programs in any
32 material legal, financial, or public purpose aspect must be presented to the Board before loans for
33 such program may be included by the Executive Director under this approval authority.

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35 4. At each regular Board meeting, the Director of Multifamily Programs will report
36 to the Board in writing a list of any loans approved by the Executive Director under this approval
37 authority, since the preceding regular Board meeting. The Chairman of the Board may instruct
38 the Director of Multifamily Programs to make full loan presentations to the Board for
39 approximately ten percent of the loans approved by the Executive Director in any fiscal year.
40 Such presentations shall be made in order to keep the Board informed on an ongoing basis as to
41 the nature of the loans previously approved under this program. Prior to any Board meeting at
42 which such a full presentation shall be made, the Chairman shall identify the loans for which a
43 presentation is required.

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1 5. The Board shall review the Executive Director's approval authority at a regularly
2 scheduled Board meeting an annual basis.

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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. 20-16 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 August 2020, 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: Hunter, Gunning, Castro Ramírez, Ma, Gunn (for Imbasciani), Prince, Russell, Velasquez, Sotelo, Gallagher

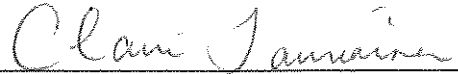
NOES: None

ABSTENTIONS: None

ABSENT: Johnson Hall, Avila Farias

IN WITNESS WHEREOF, I have executed this certificate hereto this 13th day of August 2020.

ATTEST:



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