



Public Meeting Agenda

California Housing Finance Agency Board of Directors
Tuesday, March 7, 2023
9:00 a.m.

California Housing Finance Agency
500 Capitol Mall
5th Floor Conference Center
Sacramento, CA 95814
(916) 326-8000 (CalHFA Receptionist)

This meeting is also available via Zoom

Click on the link to register:

<https://events.zoom.us/ev/AqWgXnGeBt93zeUR4wunPe5NMReRQNyo3ggmfruCu7V8f5WI1HFP~AggLXsr32QYFjq8BIYLZ5I06Dg>

1. Roll Call
2. Approval of the minutes of the January 19, 2023 meeting 1
3. Chairperson/Executive Director comments

WORKSHOP (Informational)

4. Presentations and discussions
 - A. Perspectives on the economy, current housing markets and updates on federal housing policy initiatives
 - Dr. Lindsey Piegza, Managing Director, Chief Economist, *Stifel, Nicolaus & Company, Incorporated*
 - Michael Novogradac, Managing Partner, *Novogradac & Company*
 - B. Credit strengths and the capital markets
 - Albert Luong, Director, *Barclays*

C. Single Family: Overview of current homeownership market conditions, capital market volatility and the potential impact of supply and rising interest rates on lending volumes

- Jed Guenther, SVP of Community Lending, *Bayview Asset Management*
- Elizabeth Vernon, Vice President of Capital Markets, *Lakeview Loan Servicing*

D. Wrap-up questions and discussion

LUNCH

5. Mid-year Business Plan and Operating Budget update for FY 2022/23 (Don Cavier, Ellen Martin, Kate Ferguson, Rebecca Franklin)

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B. FY 2022/23 Strategic Business Plan	14
C. FY 2022/23 Mid-Year Budget Update.....	16

6. Housing finance landscape in California

- Justin Cooper, Partner, *Orrick*

7. CalHFA Multifamily housing production pilot program (Erwin Tam)

BUSINESS ITEMS

8. Discussion, recommendation, and possible action authorizing the financing of the Agency’s multifamily housing program, the issuance of multifamily bonds, the Agency’s multifamily bond indentures, credit facilities for multifamily purposes, and related financial agreements and contracts for services (Erwin Tam) 19

Resolution No. 23-02 21

9. Discussion, recommendation, and possible action authorizing the financing of the Agency’s multifamily housing program from non-bond sources and related financial agreements and contracts for services (Erwin Tam) 31

Resolution No. 23-03 32

10. Discussion, recommendation, and possible action authorizing the Agency’s single family bond indentures, the issuance of single family bonds, credit facilities for homeownership purposes, and related financial agreements and contracts for services (Erwin Tam)	38
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11. Discussion, recommendation, and possible action authorizing the Agency’s single family non-bond financing mechanisms for homeownership purposes, and related financial agreements and contracts for services (Erwin Tam)	49
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12. Discussion, recommendation, and possible action approving applications to the California Debt Limit Allocation Committee for private activity bond allocations for the Agency’s multifamily programs (Erwin Tam)	55
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13. Informational reports:	
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F. California Mortgage Relief Program report	99
14. Other Board matters	
15. Public comment: Opportunity for members of the public to address the Board on matters within the Board’s authority	
16. Adjournment	

MINUTES

California Housing Finance Agency (CalHFA) Board of Directors Meeting January 19, 2023

Meeting noticed on January 9, 2023

1. ROLL CALL

The California Housing Finance Agency Board of Directors Meeting was called to order at 10:01 a.m. A quorum of members was present.

MEMBERS PRESENT: Avila Farias, Cabildo, Castro Ramírez, Cervantes, Gunn (for Imbasciani), Johnson Hall, Ma, Prince, Seeley (for Velasquez), Silber (for Assefa), Sotelo, Russell, Williams

MEMBERS ARRIVING
AFTER ROLL CALL: White

MEMBERS ABSENT: Miller (for Stephenshaw)

STAFF PRESENT: Claire Tauriainen, Courtney Pond, Don Cavier, Ellen Martin, Kate Ferguson

*Early departures: Prince, Silber, Castro Ramírez, and Treasurer Ma, who was replaced by delegate Fernandez

2. Approval of the Minutes – November 17, 2022

On a motion by Russell, the minutes were approved by unanimous consent of all members in attendance.

3. Chairperson/Executive Director comments

Chairperson comments:

- Chair Cervantes welcomed everyone and noted the passing of former Board delegate, Deputy Treasurer Tim Schaefer. Mr. Schaefer was highly respected and will be missed by many.

Executive Director comments:

- Executive Director Johnson Hall stated that Governor Newsom’s proposed 2023-24 budget includes reductions to several CalHFA programs, including California Dream for All program, but that these proposals would not affect CalHFA’s core business, which is not funded by general fund appropriations.
- She spoke about how home prices rose 47% in California during the pandemic and have since decreased 14%.
- She welcomed the new Deputy Director of Multifamily Programs, Shawnte Spears, to CalHFA.

4. Report from the Executive Evaluation Committee

No report. This meeting was canceled.

5. Final Loan Commitment for Alves Lane Apartments – No. 22-007-A/X/N, for 100 units in Bay Point/Contra Costa – Resolution No. 23-01

Presented by Kate Ferguson, with guest speaker Loren Messeri, Vice President of Development, MetaHousing

On a motion by Avila Farias, the Board approved **Resolution No. 23-01**. The votes were as follows:

AYES: Avila Farias, Cabildo, Castro Ramírez, Cervantes, Gunn (for Imbasciani), Ma, Prince, Seeley (for Velasquez), Sotelo, White, Williams

NOES: None

RECUSALS: Russell

ABSENT: None

6. Update on Single Family Special Programs

Presented by Ellen Martin

Ellen Martin, Director of Business Development and Stakeholder Relations, provided the Board with an update on the California Dream for All program and the Accessory Dwelling Unit (ADU) Grant program. She stated that the Governor's proposed budget includes significant decreases in funding for both programs. However, CalHFA is moving forward with holding ADU Grant program working groups sessions and the California Dream for All program is still expected to launch within the next few months.

7. Presentation of the Bagley-Keene Open Meeting Act

Presented by Claire Tauriainen

Claire Tauriainen, General Counsel and Board Secretary, provided the Board with an annual overview of the Bagley-Keene Open Meeting Act and reviewed the board members' responsibilities to ensure compliance. Her presentation included details about how the law can be violated unknowingly by Board members engaging in discussions outside of a public meeting if the topic of the discussion is within the purview of the Board. She encouraged Board members to seek counsel at CalHFA if they are ever in doubt of Bagley-Keene requirements.

8. Informational reports

Chair Cervantes asked the Board if there were any questions or comments regarding the informational reports in the Board package. Deputy Director Cavier stated that single family loan reservations were up for the month of January and that CalHFA was on pace to meet its business planning target for the fiscal year.

9. Other Board matters

Chair Cervantes asked if there were any other Board matters and member Russell stated that he would like to have a discussion at a future meeting about projects being delayed by utility connection issues and high impact fees being imposed by localities on projects.

10. Public comment

Chair Cervantes asked if there were any members of the public who like to provide a comment and there were none.

11. Adjournment

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 11:46 a.m.

State of California

MEMORANDUM

To: CalHFA Board of Directors

Date: March 07, 2023

From: Donald Cavier, Chief Deputy Director
CALIFORNIA HOUSING FINANCE AGENCY

Subject: FY 2022-23 Mid-Year Business Plan Update

EXECUTIVE SUMMARY

This item provides the CalHFA Board of Directors a mid-year performance report for the fiscal year 2022-2023, focusing on CalHFA's overall performance, updates on the lending activities of our Single Family and Multifamily Programs, and an overview of the Agency's major accomplishments as of December 31st. In addition, the report contains a detailed progress update on the FY 2022-23 Strategic Business Plan action items (Attachment A). This review is intended to provide the Board with the means to measure and evaluate the Agency's progress at achieving the strategic goals and key initiatives adopted by the Board.

BACKGROUND

The senior leadership team develops and refreshes the Strategic Business Plan annually. During the development phase, the Agency's leadership team establishes a detailed plan for the next fiscal year which outlines the actions required to further the goals and key strategies of the organization. The action plan lays out the approaches and targeted completion timeline for advancing and achieving the Agency's goals and strategies.

The primary aim of CalHFA is to effectively serve the citizens of California, refine operations to improve service delivery, and broaden the reach of our programs centering these efforts around three primary strategic goals:

1. Through a lens of equity and inclusion, increase access to affordable housing while maintaining financial independence and flexibility.
2. Continuously enhance operational efficiencies and mitigate risk by leveraging technology, improving employee experience, and implementing industry best practices.

3. Facilitate the administration of one-time federal and state housing assistance funds that are linked to the desired outcomes of CalHFA's Mission and Vision.

CalHFA has identified key strategies to provide focus and prioritization in achieving these strategic goals. These action items are detailed in Attachment A.

BUSINESS PLAN PROGRESS UPDATES

As of December 31st, CalHFA has been making excellent progress on our business plan objectives.

Key accomplishments at mid-year include:

- Fully allocated \$88M for the Forgivable Equity Builder Loan program to serve more than 2,000 low-income homebuyers.
- Preservation of \$251 million of tax-exempt bond volume cap.
- Completed Great Place to Work Trust Index survey with a score that certifies CalHFA as a Great Place to Work. The leadership team is currently working on plans to implement improvements in areas of opportunity identified by the survey.
- Retained over \$80 million in MBS (FNMA/GNMA) at coupon rates of 6.5% and 7.0% generating significant investment income. Additionally, the agency is currently evaluating expansion of advance limit from Federal Home Loan Bank - San Francisco to expand CalHFA's warehousing capabilities. Finally, Staff are preparing a request for qualifications (RFQ) for broker-dealers for the sale of mortgage backed securities (MBS), and engaging bond counsel and bond underwriters to prepare a new indenture of trust to finance single family programs.
- Established a new bond indenture for financing Multifamily transactions. Successfully upgraded General Ledger Software and Dynamics Budget to increase efficiency, functionality, and reporting options.
- The Information Technology Department's One Machine Ecosystem project is progressing as planned. Division Liaisons are receiving their test One Machine. Next phase will be divisional deployments, which are occurring in Jan/Feb 2023.
- CalHFA started the process of refreshing the internal SharePoint site and workflows. The initial assessment has been completed. Phases have been identified and implementation will commence in Mar/Apr 2023.
- Successfully recruited and filled key positions for Comptroller and Deputy Director of Multifamily Programs. Additionally, the Human Resource's department is preparing the

statutorily required salary study needed to attract and retain qualified senior management positions in a tight job market.

- Finalized and published the Agency's Racial Equity Action Plan.
- Successfully established a Project Management Office (PMO) within ERM and hired the PMO Manager to manage and ensure proper execution of enterprise projects.

Key status updates at mid-year include:

- General efforts to research, develop and implement automated enhancements for several systems serving our lending programs have been delayed in order to focus on the implementation for the California Dream For All program.
- Due to a shift in priorities, the effort to update Mortgage Access System (MAS) processes, and procedures to include 2-unit properties is delayed; however, the team is planning to complete the initiative by the end of the fiscal year.
- Due to volatile economic conditions driven by rising interest rates, labor and supply chain issues, etc., the Agency's flagship Mixed-Income Program (MIP) required additional resources and underwriting review. Accordingly, several planned multifamily expansions, including a push into the preservation space have been delayed to the next business planning cycle to evaluate available resources and determine the appropriate product type for this evolving market and the optimal time to enter the market.

AA2/AA RATING

CalHFA has continuously engaged in a strategy to improve its financial sustainability over the past decade. Due to the pandemic, CalHFA has had limited opportunity to engage both S&P Global Ratings and Moody's Investors Service. In October 2022, CalHFA had its first in person meeting with S&P since January 2019. In addition to highlighting improved financial positions, including liquidity, CalHFA presented its management credentials which included the following:

- Autonomy of the management team and independence from federal, gubernatorial, and legislative elections
- Comprehensive approach to new programs including Forgivable Equity Builder Loan Program, and Dream for All Program
- Multifamily Policies and Procedures, including the USRM and Asset Management
- Fiscal Policies and Procedures that resulted in a clean audit (no findings) for FY2021

- Adoption by the Board of Directors of financial policies that elevated the level of oversight for key areas including Financial Risk Management, Investment and Debt Management, and Disclosure
- Execution of the 2022 Swap Termination Initiative, which reduced the Agency's interest rate swap exposure
- Hedging for higher interest rates in January 2022 through the Multifamily Lending Hedge Initiative, which when combined with the Swap Termination Initiative resulted in a positive mark-to-market of the Agency's swap portfolio for the first time in its history

In December 2022, CalHFA was upgraded by S&P Global Ratings to "AA" from its rating of "AA-". The "AA" rating represents the Agency's highest rating ever assigned by S&P. It is also one notch higher than the rating assigned by S&P on the State's General Obligation's Rating. In the published report, we note the change in language used by S&P to describe the Agency's management.

JANUARY 2019	DECEMBER 2022
Experienced leadership and senior management team dedicated to the agency's public purpose mission	<p>Extremely strong management team and board members with strong organization, administrative, financial management, and strategic planning capabilities as well as senior management's experience and track record of successfully management programs even during difficult times</p> <p>We view CalHFA's management team as extremely strong, comprising experienced, dedicated senior staff, and guided by detailed strategic plans, initiatives, and policies.</p>

CalHFA's management team is currently scheduling an in person meeting with Moody's for late March 2023.

DREAM FOR ALL

The Dream for All Program is a revolving, shared appreciation loan program designed to increase access to homeownership for low- and moderate-income Californians. The 2022-23 State Budget established the Dream for All Program, allocated \$500 million to the program, and designated CalHFA as the administrator of the program.

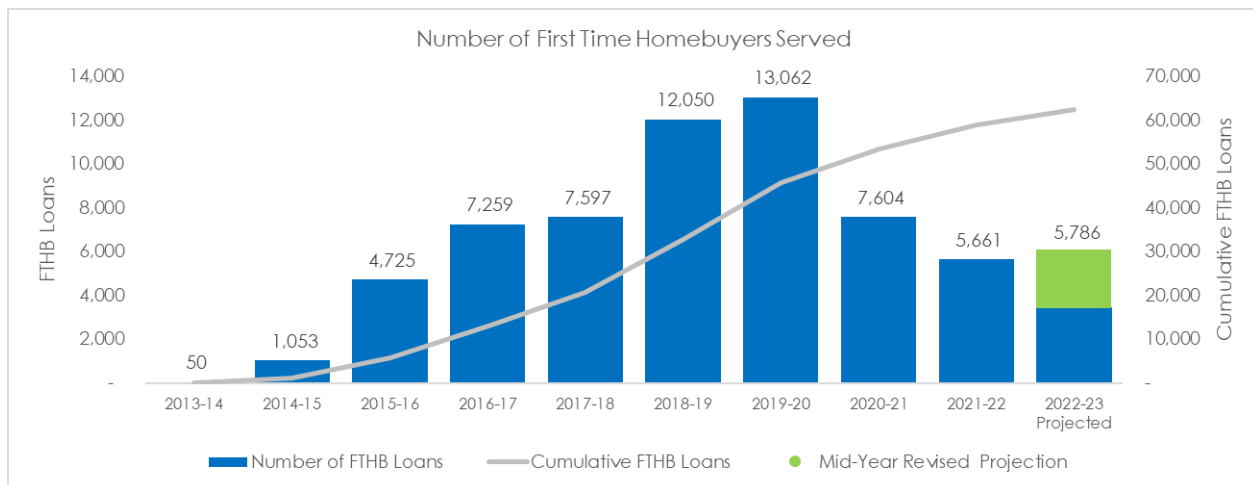
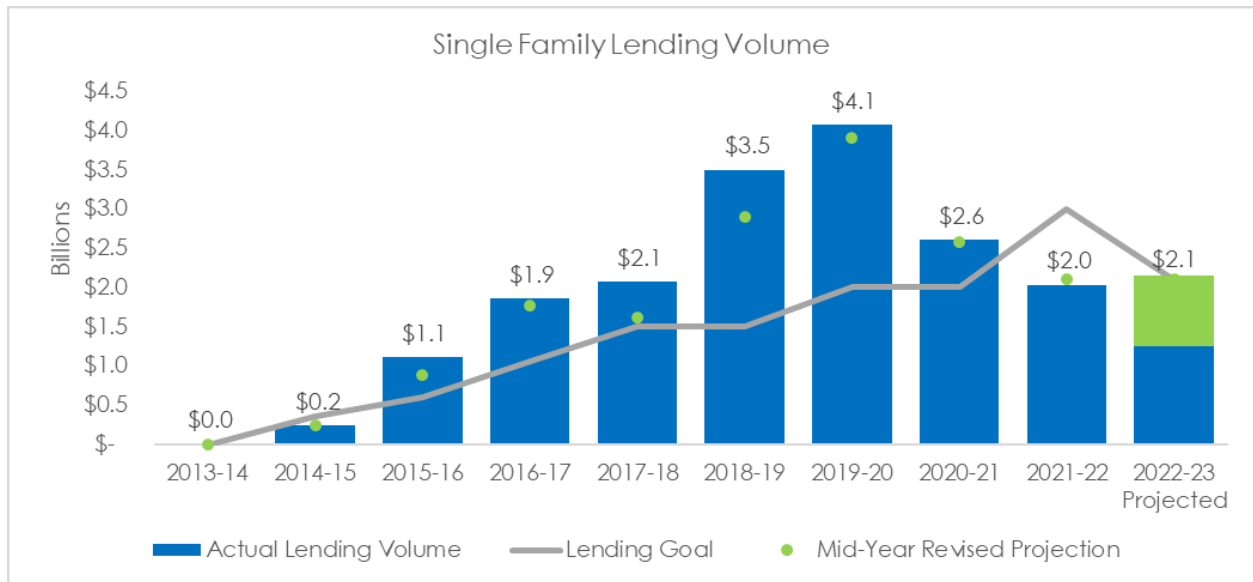
CalHFA established initial program design parameters for eligibility, eligible costs, down payment assistance levels, appreciation split and share, repayment events and many other key program

terms. CalHFA conducted three separate Public Listening Sessions to receive stakeholder input regarding program design parameters and convened an advisory Working Group, a curated group of industry experts and professionals that advised CalHFA regarding specific and discrete program design and implementation topics. CalHFA has drafted term sheets and legal documents, developed a detailed consumer marketing and outreach strategy and established the approach to homebuyer education that comports with regulatory requirements.

The DFA implementation process remains largely on track. CalHFA is committed to continuing to work assertively to implement the Dream for All program and staff is working diligently to complete all implementation processes and tasks needed to go live with the program and to service DFA loans. We will continue to monitor the interest rate environment and the real estate market as well as ongoing budget discussions and anticipated levels of funding for the Program to inform a measured, careful and prudent approach to Program implementation.

SINGLE FAMILY LENDING

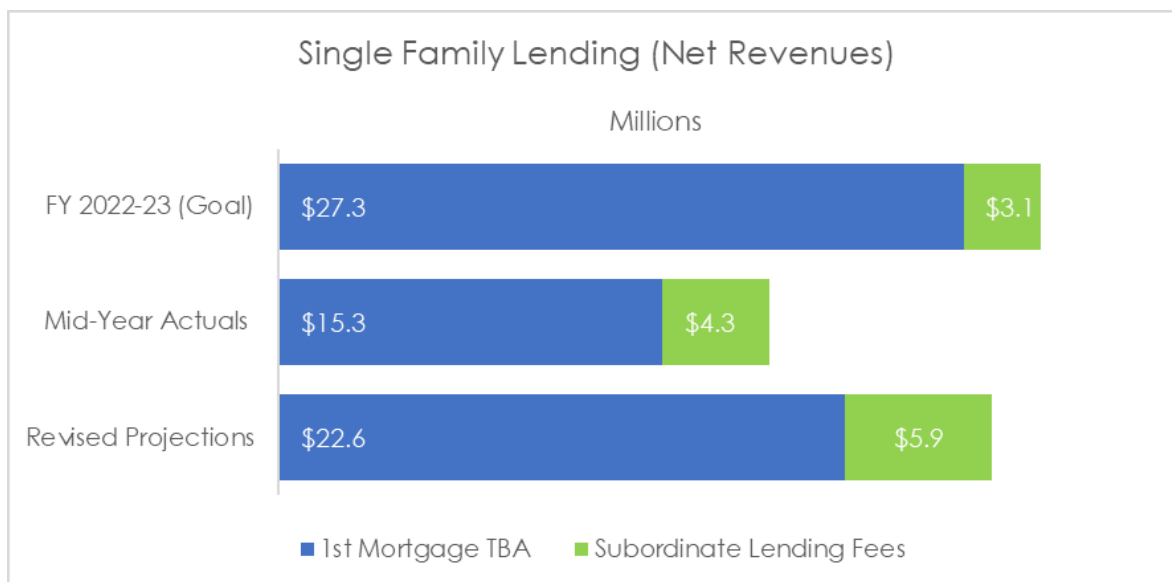
The chart below reflects the historical production goals, mid-year revisions, and actual lending activity for the previous ten years, as well as the number of first-time homebuyer households served. Actual first mortgage lending volume was \$1.277 billion through December 31, 2022. Even with the current market conditions and macroeconomic issues, CalHFA anticipates meeting our goal of securitized \$2.1 billion for the lending activities and serving approximately 5,786 first-time homebuyers.



Single Family Revenues

The actual revenue generated for mid-year is \$15.3 million and our revised projection is \$22.6 million for the full fiscal year. The revised projections reflect the current market shifts, decreases in specified pay-up, rising interest rates, and lack of affordable housing supply. Despite these

obvious headwinds for the program, CalHFA is constantly adapting to the ever-changing mortgage markets and developing new products to help low- and moderate-income homebuyers achieve the goal of sustainable and equitable homeownership. The chart below reflects this year's revenue goal and our mid-year revised projection.



Single Family - Subordinate Lending Volume

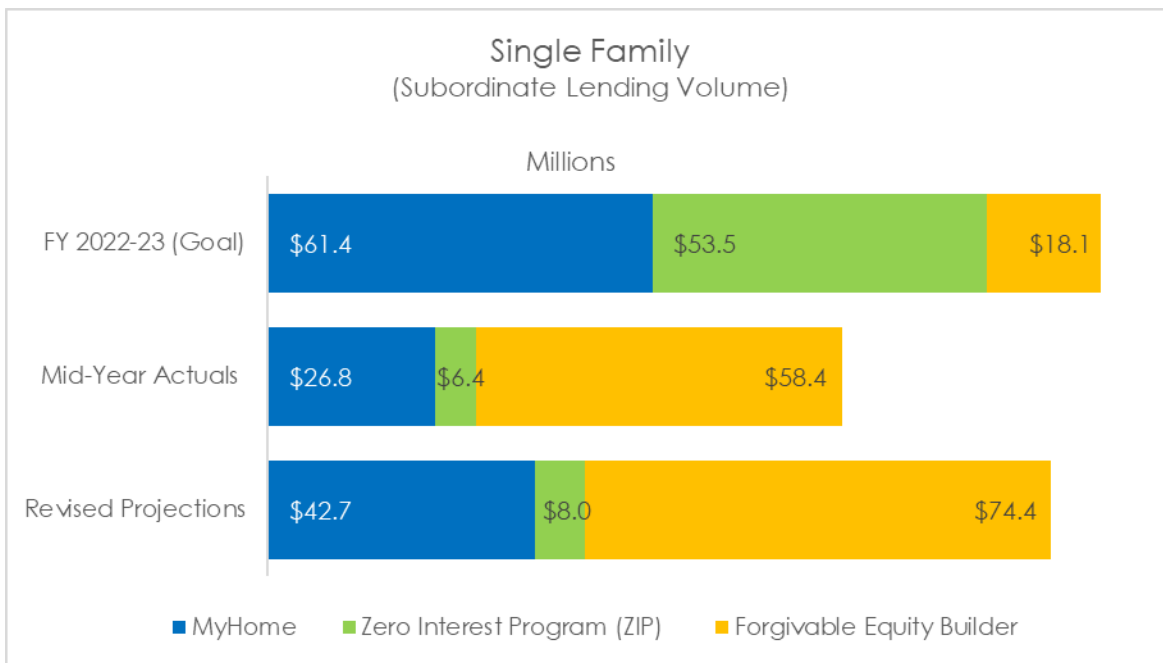
While noting that not all applicants avail themselves of both subordinate lending products (down payment and closing cost assistance) to close their respective transactions, subordinate lending activity for the Single Family program is as follows:

For July through December, the actual production for MyHome subordinate loans for down payment assistance is \$26.8 million serving 1,950 homebuyers. For the remainder of the fiscal year, staff projects a total deployment of \$42.7 million serving 3,161 homebuyers.

Mid-year production for Zero Interest Program (ZIP) subordinate loans (for closing cost assistance) is \$6.4 million and the loans have served 784 homebuyers. Staff projects to achieve \$8 million in production at the end of the year, serving 989 homebuyers. Due to the high interest rate environment, volatile markets, and the use of the Forgivable Equity Builder Loan Program, MyHome and ZIP production has been limited compared to previous years.

CalHFA introduced the Forgivable Equity Builder Loan Program which provides homebuyers a forgivable loan up to 10% of the purchase price of a home to use for the down payment. The program has been a great success in helping low-income Californians to become homeowners in the current competitive housing market. At midyear, the total \$88 million allocation has been reserved. Due to the nature of these types of transactions, some fallout is expected and any

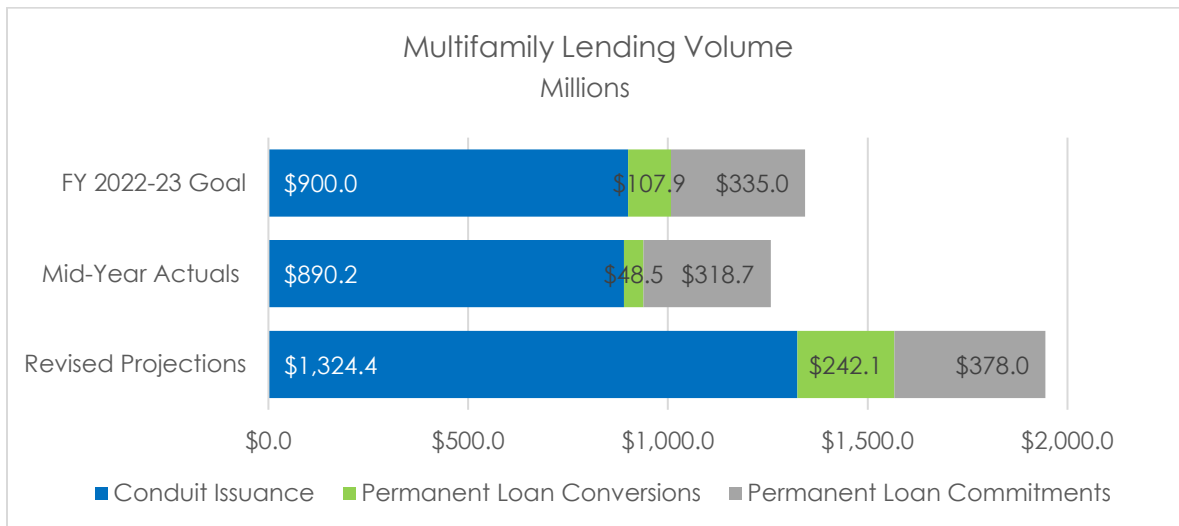
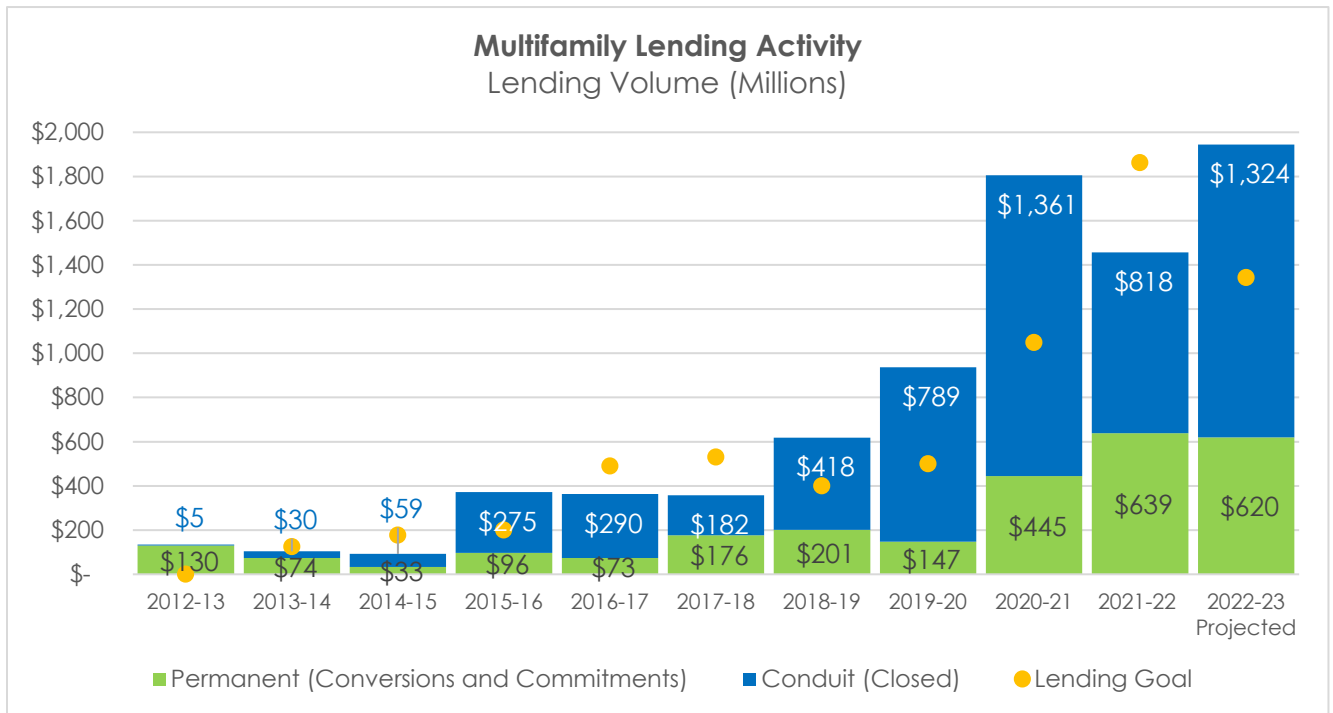
returned funds will be redeployed for similar purposes. The Forgivable Equity Builder Program helped more than 2,000 low-income homebuyers access homeownership, 67% of which identified as Latino, Black or Asian American. The program helped families in 52 of the 58 counties.



Accessory Dwelling Unit (ADU) Program

Another successful initiative administered by the Agency was the Accessory Dwelling Unit (ADU) grant program. In September 2021, the Agency introduced the CalHFA ADU Grant Program which provided funding for predevelopment and other select costs necessary to construct an ADU. With \$100 million in funding, the ADU Grant Program was developed to incentivize construction of ADUs, thereby increasing the affordable housing supply in California while giving existing low- and moderate-income homeowners a chance to increase their equity position. The full \$100 million has been committed, and CalHFA paused the program at the end of December. If additional funds become available due to cancelled grant reservations, those funds will be redeployed. The ADU Grant program helped over 2,000 families in 45 of the 58 counties.

MULTIFAMILY LENDING



At mid-year, CalHFA's Multifamily lending volume was \$1.3 billion which financed 2,544 affordable housing units. The Multifamily program expected to exceed the business planning goal at the end of the fiscal year and forecasted to achieve \$1.9 billion in lending volume activities. CalHFA expects to issue over \$1.3 billion in conduit bonds for projects in our pipeline this fiscal year.

The flagship Mixed-Income Program (MIP) has already funded \$86.4 million, or 133% of its goal, and is projected to fund a total of \$105 million by the end of the fiscal year. MIP will exceed the

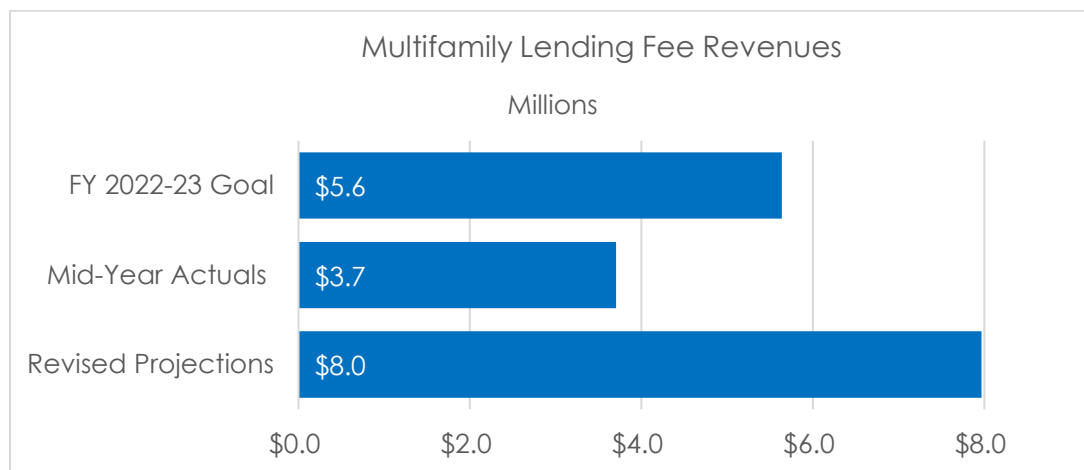
goals set for the year; however, CalHFA used more funding for MIP than anticipated because of projects struggling to the finish line due to cost overruns and rising interest rates.

Overall Multifamily unit production is slightly lower than expect due to a low number of Conduit Only and Recycled Bonds projects. This is largely attributed to the competitive nature of securing bond cap from CDLAC and the size of the Conduit Only projects are smaller than projected. Only 26% of CalHFA Conduit Only projects submitted to CDLAC in 2022 ended up receiving bond cap.

CalHFA has completed underwriting and is working towards loan closing on all remaining Special Needs Housing Program (SNHP) projects. From the program's inception through 12/31/2022, CalHFA has closed over \$106 million in SNHP loans, representing more than 3,100 housing units. As of 12/31/2022, there were a total of 8 SNHP loans left to close, which represent 441 units and nearly \$12 Million in loan volume. All SNHP loans in CalHFA's pipeline are scheduled to close before the end of FY 2022-23. CalHFA has also returned unused SNHP funds to each of the participating counties and will process the final returns once all SNHP loans close.

Multifamily Lending Revenues

Multifamily Lending generated \$3.7 million (or 66% of its goal) in revenue for the first six months and is projected to generate \$7.97 million in revenue, or 141% of the business goal of \$5.6 million.



ATTACHMENT

5-A FY 2022-23 Business Plan Mid-Year Status

CalHFA Strategic Business Plan FY 2022-23

Mission: Investing in diverse communities with financing programs that help more Californians to have a place to call home.

BUSINESS PLAN GOALS	KEY STRATEGIES	ACTION ITEMS	Initial Plan Year	Multi-Year Effort?	Expected Completion FY22/23	Expected Completion FY23/24	Expected Completion FY24/25	Policy Objectives *	Item Owner	Mid-year Progress/Status As of 12/31/22	
			Volume	Fee Income	Homeowners						
Through a lens of equity and inclusion, increase access to affordable housing while maintaining financial independence and flexibility.	1 Promote inclusive and sustainable homeownership opportunities, while serving a broad range of income and housing types.	Finance \$2.2 billion in single family lending, serving 5,700 homebuyers	Volume	Fee Income	Homeowners						
		First mortgage securitization	\$ 2,100,000,000	\$ 27,300,000	5,700					50%	
		Forgivable Equity Builder Loan	\$ 18,100,000	\$ 900,000	570					100%	
		MyHome down payment assistance	\$ 61,400,000	\$ 3,070,000	4,700					26%	
		Zero Interest Program (ZIP) closing cost assistance	\$ 53,500,000	\$ -	4,800					1%	
		ADU Grant Reservations	\$ 2,500,000	\$ 125,000	100					100%	
			\$ 2,235,500,000	\$ 31,395,000	5,700 homebuyers						
		Research scalable equity building strategies and how to amplify products within underserved areas in CA	22/23	No	Q3				Removal of barriers / social equity		75%
		Research, develop and implement various automated and/or streamlined processes. (i.e. Smart Docs for Enotes, automate W-9s, phone tree self-service, OCR/AI for mail intake)	22/23	YES		Q4				Single Family	15%
		Enhance Home Buyer Education to include: Homeownership with an investment component (Units/ADUs); Post Closing Counseling to include information on energy efficient home improvement options and drought tolerant landscaping	22/23	No	Q3				Opportunity and upward mobility	Single Family	30%
		Update Mortgage Access System (MAS) and processes and procedures to include 2-unit properties	22/23	No	Q4					Single Family	5%
		2 Implement multifamily lending solutions that promote inclusive communities and economically sustainable rental housing.	Finance \$1.3 billion in multifamily lending, investing in 5,098 units	Volume	Fee Income	Units					
			Conduit Issuance	\$ 800,000,000	\$ 979,231	1,633					104%
			Conduit Issuance (Recycle Bonds)	\$ 100,000,000	\$ 190,000	726					57%
			Permanent Loan Conversions**	\$ 53,474,902	\$ 480,250	140					64%
Permanent Loan Commitments***	\$ 270,000,000		\$ -	-					86%		
Subsidy Loan Perm Conversion	\$ 640,000		\$ -	-					922%		
Subsidy Loan Commitments	\$ -		\$ -	-					N/A		
Mixed-Income Program (MIP) Subsidy Loan Commitments	\$ 65,000,000		\$ 2,784,140	2,240					133%		
Mixed-Income Program (MIP) Subsidy Loan Conversions	\$ 42,435,968		\$ 1,026,598	-					8%		
SNHP Loan Closings	\$ 11,368,956		\$ 178,438	359					46%		
	\$ 1,342,919,826		\$ 5,638,657	5,098							
Continue wind down of the Special Needs Housing Program	19/20		No	Q4					Multifamily	95%	
Implement targeted expansion of preservation and deployment of recycled bonds	22/23		No	Q4				Housing supply	Marketing	0%	
Expand the Mixed-Income Program to include Naturally Occurring Affordable Housing (NOAH) and Preservation options in addition to the existing New Construction program	22/23		No	Q2				Preservation	Multifamily	0%	
Assess opportunities to expand functionality of the Asset Management program to balance workloads and provide focused and actionable surveillance on the Multifamily Loan portfolio	22/23		No	Q2					Multifamily	75%	
3 Pursue collaborative partnerships with other housing entities, lenders and stakeholders to that further CalHFA's lending objectives and policy priorities to deliver effective and inclusive housing solutions.	Explore possible financing products and outreach efforts to support emerging developers	22/23	No	Q2				Removal of barriers / social equity	BD & Stakeholders Relations / Multifamily	25%	
	Evaluate potential strategies and initiatives to expand access to homeownership	22/23	No	Q4				Opportunity and upward mobility	BD & Stakeholders Relations / Single Family	50%	
4 Maintain financial sustainability through active balance sheet management, including effective investment strategies, capital markets access, and funding partnerships.	Bond Preservation Strategy	Volume									
	Preservation of tax exempt bond volume cap (Recycling)	\$ 250,000,000	Yes	Q4						100%	
	Achieve a "Aa2/AA" rating for the Agency's GO rating (Issuer Rating)	22/23	Yes			Q4			Financing	50%	
	Evaluate new SF and MF indentures and create a plan of finance for MF Environmental, Social, and Governance (ESG) Bonds	22/23	No	Q4					Financing	75%	
	Monitor TBA market executions and position CalHFA to take advantage of alternative executions as needed	22/23	No	Q1					Financing	100%	

BUSINESS PLAN GOALS	KEY STRATEGIES	ACTION ITEMS	Initial Plan Year	Multi-Year Effort?	Expected Completion FY22/23	Expected Completion FY23/24	Expected Completion FY24/25	Policy Objectives *	Item Owner	Mid-year Progress/Status As of 12/31/22
Continuously enhance operational efficiencies and mitigate risk by leveraging technology, improving employee experience, and implementing industry best practices.	5 Ensure existing technology is up to date and identify and implement new technologies that enhance security, service levels, and customer experience.	Continue to expand use of GIS (geospatial data) and PowerBI in various areas of the business, including the development of an internal, executive interactive business dashboard	19/20	Yes		Q4			IT	5%
		Upgrade multiple accounting platforms to increase efficiency, usability and reporting options (i.e. DocuPhase Accounts Payable and MS Dynamics Great Plain Procurement and General Ledger Software)	22/23	No	Q2				Fiscal Services	85%
		Explore system solutions for tracking and reporting of bond preservation and conduit issuance activities	22/23	Yes	Phase I - Q4	Phase II - Q4			Fiscal Services	0%
		Implement One Machine Ecosystem project	22/23	No	Q4				IT	50%
		Implement the refresh of CalHFA internal SharePoint site and workflows	22/23	Yes	Phase I - Q4	Phase II - Q4			IT	25%
	6 Enhance the employee experience, increase employee engagement, provide a safe environment for staff and foster a positive diverse and inclusive workplace.	Conduct the Great Place to Work Trust Index survey and use the results to develop and implement strategies for improved employee experience and employee retention	22/23	No	Q4				Admin; Marketing	75%
		Fill critical leadership positions: Single Family Director, Comptroller, Deputy Director Multifamily Programs and Assistant Deputy Director Multifamily Programs	22/23	No	Q4				Admin	50%
		Finalize the Agency's Racial Equity Action Plan as started in the CCORE Cohort	22/23	No	Q4			Removal of barriers / social equity	CCORE Team	100%
	7 Continue to enhance enterprise risk and compliance functions throughout the Agency.	Evaluate and enhance Mortgage Access System security	22/23	No	Q4				IT	0%
		Establish and implement a framework to manage and ensure proper execution of enterprise projects	22/23	No	Q4				ERM	80%
		Develop a risk management and appetite framework for Multifamily pipeline and portfolio	22/23	No	Q4				Financing	80%
		Create and maintain procedures for pricing, hedging strategies, and investment and debt management under new Financing Policies	22/23	No	Q4				Financing	25%
		Issue request for qualifications (RFQ) for independent audit services for California Housing Finance Agency	22/23	Yes		Q2			Fiscal Services	0%
		Develop an internal control repository, including standardized cross-functional process maps to document internal controls for the enterprise-wide functions	22/23	Yes			Q4		ERM	20%
	Facilitate the administration of one-time federal and state housing assistance funds that are linked to the desired outcomes of CalHFA's Mission and Vision.	8 Administer federal funds to provide efficient and effective housing assistance to Californians, within CalHFA's business framework.	Provide oversight and direction of the non-profit CalHFA Homeowner Relief Corporation and contractors administering the federal Mortgage Relief Program to help 20-40k homeowners who suffered a Covid-19 hardship stay in their home	22/23	Yes			Q4	COVID assistance / social equity / strengthening communities of vulnerable homeowners	Special Programs (CalHFA HRC)
9 Administer state funds to provide efficient and effective housing assistance to Californians, within CalHFA's business framework.		Deploy the remaining National Mortgage Settlement funds that were allocated to provide housing counseling to struggling Californians as well as support and strengthen California's counseling network	20/21	Yes		Q3		COVID assistance / social equity / strengthening communities of vulnerable homeowners	Special Programs (NMS Team)	65%
		Expand and market the Accessory Dwelling Unit (ADU) program to assist low- to moderate-income homeowners in financing ADUs to assist with increasing housing supply in California	22/23	Yes			Q4	Housing supply / strengthening communities of vulnerable homeowners	Single Family	100%
		Outreach to targeted markets and disburse \$8129 funds through the Forgivable Equity Builder Loan program to assist low income homebuyers	22/23	Yes		Q4		Opportunity and upward mobility / reducing the intergenerational racial wealth gap		100%
		Coordinate and Implement Phase II of the Caltrans Roberfi 710 project	22/23	Yes			Q2	General Counsel	10%	

*Policy Objectives are designed to align with the current Administration Housing Policy Goals as outlined in 2021 Housing Framework Memorandum

** "Units" count excludes units counted in previous fiscal years

*** "Units" and "Fee Income" are reported under the MIP Subsidy Loan Commitments

State of California

MEMORANDUM

To: CalHFA Board of Directors

Date: March 07, 2023

From: Donald Cavier, Chief Deputy Director
CALIFORNIA HOUSING FINANCE AGENCY

Subject: FY 2022-23 Mid-Year Budget Update

CALIFORNIA HOUSING FINANCE AGENCY 2022-23 MID-YEAR UPDATE CONSOLIDATED CALHFA FUNDS OPERATING BUDGET (DOLLARS IN THOUSANDS)						
Budget Year 2022-23						
	Approved Budget	Mid-Year Budget	Mid-Year Actuals	Variance	Variance %	Projected 2022-23
RESOURCES						
Single Family Lending						
Lending Fees	\$ 27,300	\$ 13,650	\$ 15,273	1,623	11.9%	\$ 22,559
Interest Income	\$ 12,677	\$ 6,339	\$ 3,067	-3,272	-51.6%	\$ 5,521
Servicing Income	\$ 2,496	\$ 1,248	\$ 275	-973	-78.0%	\$ 550
Other Administrative Fees	\$ 4,095	\$ 2,048	\$ 7,691	5,644	275.6%	\$ 12,109
TOTALS, Single Family	\$ 46,568	\$ 23,284	\$ 26,306	\$ 3,022	13.0%	\$ 40,739
Multifamily Lending						
Lending Fees	\$ 5,639	\$ 2,820	\$ 3,707	888	31.5%	\$ 7,969
Interest Income	\$ 16,140	\$ 8,070	\$ 6,762	-1,308	-16.2%	\$ 13,500
Servicing Income	\$ 1,252	\$ 626	\$ 728	102	16.3%	\$ 1,354
Other Administrative Fees	\$ 5,015	\$ 2,508	\$ 5,365	2,858	114.0%	\$ 6,400
TOTALS, Multifamily	\$ 28,046	\$ 14,023	\$ 16,562	\$ 2,539	18.1%	\$ 29,223
TOTALS, RESOURCES	\$ 74,614	\$ 37,307	\$ 42,868	\$ 5,561	14.9%	\$ 69,962
OPERATING BUDGET						
Salaries and Wages	\$ 17,984	\$ 8,992	\$ 8,032	-960	-10.7%	\$ 16,500
Temp	\$ 392	\$ 196	\$ 126	-70	-35.7%	\$ 240
Benefits	\$ 9,810	\$ 4,905	\$ 4,439	-466	-9.5%	\$ 9,700
General Expense	\$ 903	\$ 452	\$ 243	-209	-46.2%	\$ 550
Communications	\$ 419	\$ 210	\$ 150	-60	-28.4%	\$ 320
Travel	\$ 456	\$ 228	\$ 93	-135	-59.2%	\$ 275
Training	\$ 223	\$ 112	\$ 17	-95	-84.8%	\$ 120
Facilities Operation	\$ 2,941	\$ 1,471	\$ 1,252	-219	-14.9%	\$ 2,940
Consulting & Professional Services	\$ 4,584	\$ 2,292	\$ 982	-1,310	-57.2%	\$ 3,000
Central Administrative Services (ProRata)	\$ 2,024	\$ 1,012	\$ 1,182	170	16.8%	\$ 2,024
Information Technology	\$ 2,089	\$ 1,045	\$ 577	-468	-44.8%	\$ 1,800
Equipment	\$ 155	\$ 78	\$ 1	-77	-98.7%	\$ 75
Strategic Project Contracts	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -
TOTALS, EXPENDITURES	\$ 41,980	\$ 20,990	\$ 17,094	\$ (3,896)	-18.6%	\$ 37,544
NET OPERATING INCOME	\$ 32,634	\$ 16,317	\$ 25,774	\$ 9,457	58.0%	\$ 32,418

In May 2022, the Board approved the FY 2022-23 Operating Budget in conjunction with the adoption of the FY 2022-23 Business Plan. The approved operating budget included a resource budget of \$74.6 million and expenditure budget of \$42 million and included 221 permanent positions with 4.8 temporary positions. As of December 31, 2022, resources are \$41.2 million or 10.4% over the mid-year expectations and operating expenses are \$17.1 million or 18.6% below mid-year expectations. The table above provides a breakdown of our mid-year results as well as revised projections for fiscal year 2022-23.

RESOURCES:

At mid-year, lending volume and revenues for CalHFA's Single Family Division are trending higher than originally anticipated.

For fiscal year 2022-23, interest income for both single family and multifamily lending assumed transfers of whole loans currently held as restricted assets to CalHFA's unrestricted accounts. These transfers will not occur due to the anticipated issuances of revenue bonds to finance CalHFA's single family and multifamily lending. CalHFA is planning on using a portion of these assets, as needed, to provide additional collateral for future bond issuances. This will help CalHFA achieve a lower cost of funds. The projected interest earnings for the entire fiscal year ending June 30, 2023 have been adjusted to reflect this change.

The Single Family administrative fees are higher than anticipated due to the usage of MyHome and the Forgivable Equity Builder Loan program and the accessory dwelling unit grant program. At the mid-year mark, the Single Family Division has securitized \$1.3 billion in first mortgage loan volume representing 3,447 first-time homebuyers and 61% of the fiscal year lending goal.

The Multifamily Division is continuing to produce strong results in large part due to the continued oversubscription of the Mixed-Income Program (MIP) and the growth of the Conduit Issuance program. At mid-year, CalHFA Multifamily programs financed \$1.3 billion in lending activity representing 2,544 affordable housing units and 94% of the overall lending goal. Accordingly, our revised projections indicate the program will achieve 145% of the original lending goal and generate \$8 million in fee income.

As we evaluate the mid-year performance of both our lending divisions, we project revenues will end roughly 13% lower than originally expected for the full fiscal year but will be more than sufficient to cover CalHFA operating costs.

OPERATING BUDGET:

CalHFA's operating budget is trending at \$17.1 million or 18.6% under budget at mid-year due primarily to salary and benefit savings from vacancies and cost savings from reductions in the use of consulting and professional services contracts, reduced expenses for information technology and equipment, and travel and training expenses. Salary and benefit costs make up 66% of the operating budget and provides for both permanent and temporary positions.

To ensure the efficient use of staff resources, the Agency continuously evaluates the workload and staffing levels of each division to ensure appropriate workforce planning is taking place. While CalHFA maintains a lean infrastructure that focuses on the use of technology solutions to improve the quality and speed of program execution, we remain active in evaluating the future staffing needs of the organization.

Overall, CalHFA's operating budget is projected to be \$37.5 million, well within the approved fiscal year operating budget of \$42 million.

State of California

MEMORANDUM

To: Board of Directors

Date: February 24, 2023



From: Erwin Tam, Director of Financing
CALIFORNIA HOUSING FINANCE AGENCY

Subject: ANNUAL MULTIFAMILY BOND FINANCING AUTHORIZATION
RESOLUTION 23-02

Resolution 23-02 would give the Agency the authority necessary to finance the lending activity proposed in the Agency's business plan and manage outstanding multifamily debt obligations. The resolution comprises four articles providing appropriate levels of authorization for each of the following: issuance of new money bonds, conduit bonds for new lending under the multifamily programs, issuance of refunding bonds for debt management purposes and for new Agency financed permanent take-out loans replacing short-term conduit bonds providing construction financing, and provisions applicable to all bonds issued under the resolution.

The following summarize the main authorizations contained in each of the four articles.

ARTICLE I - AUTHORIZATION AND TERMS OF REFUNDING BONDS

Article I authorizes the sale and issuance of refunding bonds in an amount equal to the amount of bonds being redeemed or maturing in connection with such issuance. This authority provides staff with tools to manage multifamily bonds previously issued and outstanding. This authority additionally provides for permanent bond financing refunding short-term conduit bonds issued to finance the construction of a development.

ARTICLE II – AUTHORIZATION AND TERMS OF NEW MONEY BONDS

Article II authorizes multifamily bonds to be issued in the aggregate amount not to exceed the sum of the amount of private activity bond volume cap made available for the multifamily program by the California Debt Limit Allocation Committee (CDLAC). Article II also authorizes up to \$500 million for the combined amount of 501(c)(3) bonds, "governmental purpose" bonds, and federally-taxable multifamily

bonds.

Authorizes New Bond Bonds in the form of any indenture authorizing Special Obligation Multifamily Housing Revenue Bonds, or indenture authorizing Multifamily Housing Revenue Bonds (FHA Risk-Share Insured Mortgage Loan program), or any indenture relating to the draft Affordable Housing Revenue Bonds, as presented to the Board of Directors at this meeting.

Included in the board package are draft copies of the new proposed Affordable Housing Revenue Bonds Indenture and Supplemental indentures.

ARTICLE III – AUTHORIZATION AND TERMS OF CONDUIT BONDS

Article III authorizes the offer, sale and issuance of up to \$2.5 billion of multifamily housing revenue bonds in one or more series on a conduit basis. This includes conduit bonds issued in connection with volume cap-subject private activity bonds, preserved volume cap of other bond issuers, refunding bonds, qualified 501(c)(3) bonds, and taxable bonds.

ARTICLE IV – PROVISIONS APPLICABLE TO ALL BONDS ISSUED UNDER THIS RESOLUTION

Article IV authorizes the forms and terms of Refunding Bonds, New Money Bonds and Conduit Bonds (collectively, “Bonds”).

The resolution authorizes the staff to circulate preliminary official statements and official statements relating to Bonds as necessary to prospective and actual bond investors. Bonds are authorized to be sold at negotiated or competitive sale as public offerings or as private placements depending on market conditions at the time of sale.

The resolution authorizes the Agency to enter into documents and agreements in connection with the Agency’s multifamily lending programs. The resolution further authorizes the Agency to conduct foreclosures of mortgages owned or serviced by the Agency and to enter into contracts for the sale of foreclosed properties.

The resolution authorizes the Agency to enter into credit facilities and related agreements, including, one or more reimbursement agreements, letter of credit agreements, and standby bond purchase agreements, or other arrangements with respect to credit enhancement or liquidity support, and any related intercreditor agreements. The resolution also authorizes the Agency to enter into, amend, or modify existing financial agreements related to bonds to reduce or hedge any payment, interest rate, spread or similar risk or to lower cost of borrowing.

Attachments

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3 RESOLUTION NO. 23-02

4 RESOLUTION AUTHORIZING THE FINANCING OF THE AGENCY'S
5 MULTIFAMILY HOUSING PROGRAM, THE ISSUANCE OF MULTIFAMILY
6 BONDS, THE AGENCY'S MULTIFAMILY BOND INDENTURES, CREDIT
7 FACILITIES FOR MULTIFAMILY PURPOSES, AND RELATED FINANCIAL
8 AGREEMENTS AND CONTRACTS FOR SERVICES

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

14 WHEREAS, the Agency has determined that it is in the public interest for the
15 Agency to assist in providing such financing by means of an ongoing program to make or
16 acquire, or to make loans to lenders to make or acquire, mortgage loans (the "Loans"), or to act
17 as a conduit issuer, or otherwise to enter into such financial agreements and arrangements as may
18 reasonably be required for the purpose of financing Developments (the "Program");

19 WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety
20 Code of the State of California (the "Act"), the Agency has the authority to issue bonds to
21 provide sufficient funds for the Program, including the making of loans to finance
22 Developments, the payment of capitalized interest on bonds, the establishment of reserves to
23 secure bonds, and the payment of other costs of the Agency incident to, and necessary or
24 convenient to, the issuance of bonds (the "Program Purposes"); and

25 WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit
26 facilities and certain other agreements in connection with the Program;

27 NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the
28 California Housing Finance Agency as follows:

29 ARTICLE I
30 AUTHORIZATION AND TERMS OF REFUNDING BONDS

31 Section 1. **Determination of Need and Amount of Refunding Bonds.** The Agency
32 is of the opinion and hereby determines that the offer, sale and issuance of one or more series of
33 multifamily housing revenue bonds ("Refunding Bonds") in an aggregate amount not to exceed
34 the aggregate amount of prior multifamily bonds to be redeemed or maturing in connection with
35 such issuance (the related "Refunded Bonds") is necessary to provide sufficient funds for the
36 management of the Agency's existing debt related to the Program, or to provide sufficient funds
37 for Board-authorized, Agency financing of Developments (including permanent financing for
38 Developments which may originally be financed in part by Conduit Bonds, as defined herein), or
39 financing, refinancing or carrying existing Loans, and for related Program Purposes.

1 Section 2. **Authorization and Timing of Refunding Bonds.** The Refunding Bonds
 2 described in Section 1 are hereby authorized to be issued for the purposes described in Section 1.
 3 Refunding Bonds may be issued at such time or times on or before the day 60 days after the first
 4 date after March 1, 2023 on which is held a meeting of the Board of Directors of the Agency (the
 5 “Board”) at which a quorum is present, as the Executive Director of the Agency (the “Executive
 6 Director”) deems appropriate, upon consultation with the Treasurer of the State of California (the
 7 “Treasurer”) as to the timing of each such issuance; *provided, however*, that if the Refunding
 8 Bonds are sold at a time on or before the day 60 days after the date on which is held such
 9 meeting, pursuant to a forward purchase agreement providing for the issuance of such Refunding
 10 Bonds on a later date on or before October 1, 2024, upon specified terms and conditions, such
 11 Refunding Bonds may be issued on such later date.

12 Section 3. **Approval of Refunding Bond Indentures.** (a) Refunding Bonds may be
 13 issued under and pursuant to any new indenture or similar form of document (each a “Refunding
 14 Bond New Indenture”), in one or more forms similar to one or more of the following
 15 (collectively, the “Refunding Bond Prior Indentures” and, together with the Refunding Bond New
 16 Indentures, the “Refunding Bond Indentures”):

17 (i) the Affordable Multifamily Housing Revenue Bonds indenture,
 18 dated as of December 1, 2009;

19 (ii) any indenture authorizing Special Obligation Multifamily Housing
 20 Revenue Bonds; or

21 (iii) any indenture authorizing Multifamily Housing Revenue Bonds
 22 (FHA Risk-Share Insured Mortgage Loan program).

23 (b) The Executive Director and the Secretary of the Board (the “Secretary”)
 24 are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute
 25 and acknowledge and to deliver with respect to each series of Refunding Bonds a Refunding
 26 Bond Indenture with such changes therein as the officers executing the same approve upon
 27 consultation with the Agency’s legal counsel, such approval to be conclusively evidenced by the
 28 execution and delivery thereof.

29 The Executive Director is hereby expressly authorized and directed, for and on
 30 behalf and in the name of the Agency, to determine in furtherance of the objectives of the
 31 Program those matters required to be determined under the applicable Refunding Bond Indenture
 32 in connection with the issuance of each such series of Refunding Bonds.

33 ARTICLE II
 34 AUTHORIZATION AND TERMS OF NEW MONEY BONDS

35 Section 4. **Determination of Need and Amount of New Money Bonds.** The
 36 Agency is of the opinion and hereby determines that the offer, sale and issuance of one or more
 37 series of multifamily housing revenue bonds (“New Money Bonds”) in an aggregate amount not
 38 to exceed the sum of the following amounts is necessary to provide sufficient funds for new
 39 lending under the Program:

1 (i) the aggregate amount of private activity bond allocations under
 2 federal tax law heretofore or hereafter made available to the Agency for such
 3 purpose, plus the preservation of allocations made available to other bond issuers
 4 pursuant to 26 U.S.C. 146(i)(6); and

5 (ii) if and to the extent the New Money Bonds are “qualified 501(c)(3)
 6 bonds” under federal tax law, are not “private activity bonds” under federal tax
 7 law, or are determined by the Executive Director to be intended not to be tax-
 8 exempt for federal income tax purposes, \$500,000,000.

9 Section 5. **Authorization and Timing of New Money Bonds.** The New Money
 10 Bonds described in Section 4 are hereby authorized to be issued for the purpose of financing the
 11 acquisition, construction, rehabilitation, refinancing or development of Developments and for
 12 other Program Purposes. New Money Bonds may be issued at such time or times on or before the
 13 day 60 days after the first date after March 1, 2023 on which is held a meeting of the Board at
 14 which a quorum is present, as the Executive Director deems appropriate, upon consultation with
 15 the Treasurer as to the timing of each such issuance; *provided, however*, that if the New Money
 16 Bonds are sold at a time on or before the day 60 days after the date on which is held such
 17 meeting, pursuant to a forward purchase agreement providing for the issuance of such New
 18 Money Bonds on a later date on or before October 1, 2024, upon specified terms and conditions,
 19 such New Money Bonds may be issued on such later date.

20 Section 6. **Approval of New Money Bond Indentures.** (a) New Money Bonds
 21 may be issued under and pursuant to any new indenture or similar form of document (each a
 22 “New Money Bond New Indenture”), in one or more forms similar to one or more of the
 23 following (collectively, the “New Money Bond Prior Indentures” and, together with the New
 24 Money Bond New Indentures, the “New Money Bond Indentures”):

25 (i) any indenture authorizing Special Obligation Multifamily Housing
 26 Revenue Bonds; or

27 (ii) any indenture authorizing Multifamily Housing Revenue Bonds
 28 (FHA Risk-Share Insured Mortgage Loan program); or

29 (iii) any indenture relating to the Affordable Housing Revenue Bonds,
 30 as presented to the Board of Directors at this meeting,

31 (b) The Executive Director and the Secretary are hereby authorized and
 32 directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to
 33 deliver with respect to each series of New Money Bonds a New Money Bond Indenture with
 34 such changes therein as the officers executing the same approve upon consultation with the
 35 Agency’s legal counsel, such approval to be conclusively evidenced by the execution and
 36 delivery thereof.
 37

38 The Executive Director is hereby expressly authorized and directed, for and on
 39 behalf and in the name of the Agency, to determine in furtherance of the objectives of the

1 Program those matters required to be determined under the applicable New Money Bond
2 Indenture in connection with the issuance of each such series of New Money Bonds.

3 ARTICLE III
4 AUTHORIZATION AND TERMS OF CONDUIT BONDS

5 Section 7. **Determination of Need and Amount of Conduit Bonds.** The Agency is
6 of the opinion and hereby determines that the offer, sale and issuance of one or more series of
7 multifamily housing revenue bonds on a “conduit” basis, meaning that (a) the Agency is not liable
8 for payment of the principal of, premium or interest on such bonds, except from revenues
9 received from loans made or purchased with the proceeds of such bonds and related or ancillary
10 collateral, (b) the Agency has not contributed or pledged any funds or assets to such bonds other
11 than the collateral described in the immediately preceding clause, and (c) there is otherwise no
12 obligation of or material financial risk to the General Fund of the Agency under the terms of such
13 bonds (the “Conduit Bonds”), in an aggregate amount not to exceed the sum of the following
14 amounts, is necessary to provide sufficient funds for the Program:

15 (i) the aggregate amount of private activity bond allocations under
16 federal tax law heretofore or hereafter made available to the Agency for such
17 purpose, plus the preservation of allocations made available to other bond issuers
18 pursuant to 26 U.S.C. 146(i)(6); and

19 (ii) if and to the extent the Conduit Bonds are (A) refunding bonds in
20 an aggregate amount not to exceed the aggregate amount of bonds to be redeemed
21 or maturing in connection with such issuance, (B) “qualified 501(c)(3) bonds”
22 under federal tax law, (C) are otherwise not “private activity bonds” under federal
23 tax law, or (D) are determined by the Executive Director not to be intended to be
24 tax-exempt for federal income tax purposes, \$2,500,000,000.

25 Section 8. **Authorization and Timing of Conduit Bonds.** The Conduit Bonds
26 described in Section 7 are hereby authorized to be issued for the purpose of providing funding for
27 the Program, and for other Program Purposes. Conduit Bonds may be issued at such time or
28 times on or before the day 60 days after the first date after March 1, 2023 on which is held a
29 meeting of the Board at which a quorum is present, as the Executive Director deems appropriate,
30 upon consultation with the Treasurer as to the timing of each such issuance; *provided, however,*
31 that if Conduit Bonds are sold at a time on or before the day 60 days after the date on which is
32 held such meeting, pursuant to a forward purchase agreement providing for the issuance of such
33 Conduit Bonds on a later date on or before October 1, 2024, upon specified terms and conditions,
34 such Conduit Bonds may be issued on such later date.

35 Section 9. **Approval of Conduit Bond Indentures.** (a) Conduit Bonds may be
36 issued under and pursuant to any indenture or similar form of document (each a “Conduit Bond
37 Indenture”) meeting the requirements for Conduit Bonds described in Section 7(a), (b) and (c),
38 above.

39 (b) The Executive Director and the Secretary are hereby authorized and
40 directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to

1 deliver with respect to each series of Conduit Bonds a Conduit Bond Indenture with such
 2 changes therein as the officers executing the same approve upon consultation with the Agency's
 3 legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

4 The Executive Director is hereby expressly authorized and directed, for and on
 5 behalf and in the name of the Agency, to determine in furtherance of the objectives of the
 6 Program those matters required to be determined under the applicable Conduit Bond Indenture in
 7 connection with the issuance of each such series of Conduit Bonds.

8 ARTICLE IV

9 PROVISIONS APPLICABLE TO ALL BONDS ISSUED UNDER THIS RESOLUTION

10 Section 10. **Approval of Forms and Terms of Bonds.** Refunding Bonds, New
 11 Money Bonds and Conduit Bonds (collectively, "Bonds") shall be in such denominations, have
 12 such registration provisions, be executed in such manner, be payable in such medium of payment
 13 at such place or places within or outside of the State of California, be subject to such terms of
 14 prepayment or redemption (including from such sinking fund installments as may be provided
 15 for) and contain such terms and conditions as each Refunding Bond Indenture, New Money Bond
 16 Indenture or Conduit Bond Indenture (each a "Bond Indenture") shall provide. Bonds shall have
 17 the maturity or maturities and shall bear interest at the fixed, adjustable or variable rate or rates
 18 deemed appropriate by the Executive Director in furtherance of the objectives of the Program.

19 Bonds and the related Bond Indenture(s) may contain such provisions as may be
 20 necessary to accommodate an option to put such Bonds prior to maturity for purchase by or on
 21 behalf of the Agency or a person other than the Agency, to accommodate the requirements of
 22 any provider of bond insurance or other credit enhancement or liquidity support or to
 23 accommodate the requirements of purchasers of indexed floating-rate bonds.

24 Bonds may be issued on a drawdown basis comprised of one or more advances.
 25 For purposes of Sections 2, 5 and 8, the date of the initial draw (or advance) for any issue of
 26 drawdown Bond shall be considered the issue date of such issue.

27 Bonds may otherwise have such commercially reasonable terms as may be
 28 approved by the Executive Director, such approval to be evidenced by the execution and delivery
 29 of the documents relating to such Bonds in accordance with this resolution.

30 Section 11. **Authorization of Disclosure.** The Executive Director is hereby
 31 authorized to circulate one or more preliminary official statements relating to Bonds and to
 32 execute and circulate one or more official statements relating to Bonds, and the circulation of such
 33 preliminary official statement and such official statement to prospective and actual purchasers of
 34 Bonds is hereby approved. The Executive Director is further authorized to hold information
 35 meetings concerning Bonds and to distribute other information and material relating to Bonds,
 36 including by posting of such information on one or more websites maintained by or at the
 37 direction of the Agency.

38 Section 12. **Authorization of Sale of Bonds.** Bonds are hereby authorized to be sold
 39 at negotiated or competitive sale or sales, including but not limited to private placements and
 40 public offerings. The Executive Director is hereby authorized and directed, for and in the name

1 and on behalf of the Agency, to execute and deliver one or more agreements, by and among the
2 Agency, the Treasurer, if applicable, and such purchasers or underwriters as the Executive
3 Director may select (the “Purchasers”), relating to the sale of the Bonds, in such form as the
4 Executive Director may approve upon consultation with the Agency’s legal counsel, such
5 approval to be evidenced conclusively by the execution and delivery of said agreements by the
6 Executive Director.

7 The Treasurer is hereby authorized and requested, without further action of this
8 Board and unless instructed otherwise by this Board, to sell the Bonds pursuant to the terms and
9 conditions set forth in each such agreement as finally executed on behalf of the Agency. The
10 Treasurer is hereby further authorized and requested to deposit the proceeds of any good faith
11 deposit to be received by the Treasurer under the terms of such agreement in a special trust
12 account for the benefit of the Agency, and the amount of such deposit shall be retained by the
13 Agency, applied at the time of delivery of the applicable Bonds as part of the purchase price
14 thereof, or returned to the Purchasers, as provided in such agreement.

15 Section 13. **Authorization of Execution of Bonds.** The Executive Director is hereby
16 authorized and directed to execute, and the Secretary is hereby authorized and directed to attest,
17 for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate
18 amount not to exceed the amount authorized hereby, in accordance with each Bond Indenture in
19 one or more of the forms set forth in such indenture.

20 Section 14. **Authorization of Delivery of Bonds.** The Bonds when so executed shall
21 be delivered to the trustee, fiscal agent or other authenticating agent (“Trustee”) to be
22 authenticated or caused to be duly and properly authenticated. The Trustee is hereby requested
23 and directed to authenticate, or cause to be authenticated, the Bonds by the execution of the
24 certificate of authentication and registration appearing thereon, and to deliver or cause to be
25 delivered the Bonds when duly executed and authenticated to the Purchasers in accordance with
26 written instructions executed on behalf of the Agency by the Executive Director, which
27 instructions said officer is hereby authorized and directed, for and on behalf and in the name of
28 the Agency, to execute and deliver to the Trustee.

29 Section 15. **Authorization of Program Documents.** The Executive Director is
30 hereby authorized and directed to execute all documents the Executive Director deems necessary
31 or appropriate in connection with the Program, including but not limited to (in each case with
32 such other parties as the Executive Director may select in furtherance of the objectives of the
33 Program):

34 (a) regulatory agreements, loan agreements, origination and/or servicing
35 agreements (or other loan-to-lender documents), developer agreements, financing agreements,
36 investment agreements, intercreditor agreements, subordination agreements, agreements to enter
37 into escrow and forward purchase agreements, escrow and forward purchase agreements,
38 refunding agreements and continuing disclosure agreements;

39 (b) one or more mortgage sale agreements with such purchasers as the
40 Executive Director may select in accordance with the objectives of the Program (and any such
41 sale of Loans may be on either a current or a forward purchase basis);

1 (c) contracts to conduct foreclosures of mortgages owned or serviced by the
 2 Agency with such attorneys or foreclosure companies as the Executive Director may select in
 3 accordance with the objectives of the Program;

4 (d) contracts for the sale of foreclosed properties with such purchasers as the
 5 Executive Director may select in accordance with the objectives of the Program, which may be
 6 on an all-cash basis or may include financing by the Agency; and

7 (e) any other agreements, including but not limited to real estate brokerage
 8 agreements and construction contracts, necessary or convenient for the rehabilitation, listing and
 9 sale of such foreclosed properties.

10 Section 16. **Authorization of Credit Facilities and Related Agreements.** The
 11 Executive Director is hereby authorized to enter into, for and in the name and on behalf of the
 12 Agency, one or more short-term or long-term credit facilities, together with any extensions or
 13 other amendments thereto, including but not limited to repurchase agreements, for the purposes of
 14 (i) improving the credit and/or liquidity profile of Bonds of the Agency, (ii) making or financing
 15 the purchase of Loans and/or mortgage-backed securities on an interim basis, prior to the sale
 16 thereof to third parties and/or the financing thereof with Bonds, whether issued or to be issued, or
 17 other internal or external Agency sources, as authorized by the Board; (iii) financing expenditures
 18 of the Agency incident to, and necessary or convenient to, the issuance of Bonds and/or the
 19 preservation of private activity bond volume cap for subsequent recycling, including, but not
 20 limited to, Agency expenditures to pay costs of issuance, capitalized interest, redemption price of
 21 Prior Bonds (as defined below) of the Agency or bonds issued by another issuer for the purpose of
 22 preservation of private activity volume cap for subsequent recycling, costs relating to credit
 23 enhancement or liquidity support, costs relating to investment products, or net payments and
 24 expenses relating to interest rate hedges and other financial products; and (iv) enabling the
 25 Agency to restructure existing debt and related purposes, including, but not limited to, the
 26 redemption of existing bonds and the acquisition of bonds that have been put to liquidity
 27 providers as bank bonds. Any such credit facility may be secured by any Loans, mortgage-
 28 backed securities and/or other assets thereunder and/or the general obligation of the Agency. Any
 29 such credit facility may be from any appropriate source as determined by the Director of
 30 Financing and approved by the Executive Director; provided, however, that the aggregate
 31 outstanding principal amount of credit facilities authorized under this resolution and the other
 32 financing resolutions adopted at the same meeting, as amended from time to time, may not at any
 33 time exceed \$1,000,000,000. For purposes of clarity, the above limitation applicable to credit
 34 facilities does not limit the amount of Bonds authorized by this resolution.

35 The Executive Director is hereby further authorized to enter into, for and in the
 36 name and on behalf of the Agency, one or more reimbursement agreements, letter of credit
 37 agreements, standby bond purchase agreements, or other arrangements with respect to credit
 38 enhancement or liquidity support, and any intercreditor agreements related thereto, together with
 39 any extensions or other amendments thereto.

40 Section 17. **Use of Agency Moneys for Debt Restructuring.** The Executive Director
 41 is hereby authorized to use available Agency moneys (other than and in addition to the proceeds
 42 of Bonds) (i) to make or purchase loans to be financed by Bonds (including Bonds authorized by

1 prior resolutions of the Board) in anticipation of draws on a credit facility, the issuance of Bonds
 2 or the availability of Bond proceeds for such purposes and (ii) to purchase Agency Bonds to
 3 enable the Agency to restructure its debt and for related purposes as authorized under Resolution
 4 No. 08-42 and any future Board resolutions amendatory or supplemental thereto.

5 The Executive Director is hereby authorized to use available Agency moneys to
 6 purchase Agency Bonds to enable the Agency to restructure its debt and for related purposes.
 7 Any Agency Bonds so purchased shall remain outstanding for all purposes except to the extent
 8 that the Executive Director expressly provides for the retirement or redemption, and cancellation,
 9 of such Bonds. Any Agency Bonds so purchased may be purchased and resold, in each case on
 10 such terms as may be determined by the Executive Director to be in the best interests of the
 11 Agency. The Agency may establish any account or accounts as may be necessary or desirable in
 12 connection with the purchase of such Bonds.

13 Section 18. **Authorization of Other Financial Agreements Related to Bonds.** The
 14 Executive Director is hereby authorized to enter into, for and in the name and on behalf of the
 15 Agency, any and all agreements and documents designed to amend, modify or replace existing
 16 agreements and documents related to Bonds to (i) reduce or hedge the amount or duration of any
 17 payment, interest rate, spread or similar risk with respect to Bonds or related investments,
 18 (ii) result in a lower cost of borrowing when used in combination with the issuance or carrying of
 19 Bonds or related investments, or (iii) enhance the relationship between risk and return with
 20 respect to the existing debt of the Program or any portion thereof. Such agreements and other
 21 documents are authorized to be entered into with parties selected by the Executive Director, after
 22 giving due consideration for the creditworthiness of the counterparties, when applicable, or any
 23 other criteria in furtherance of the objectives of the management of the debt of the Program.

24 Section 19. **Ratification of Prior Actions; Not a Repeal of Prior Resolutions.**
 25 (a) All actions previously taken by the officers of the Agency in connection with the
 26 implementation of the Program, including but not limited to the issuance of the Bonds, the
 27 issuance of any prior bonds of the Agency (the "Prior Bonds"), the execution and delivery of
 28 related financial agreements and related program agreements and the implementation of any credit
 29 facilities as described above are hereby approved and ratified.

30 (b) This resolution is not intended to repeal in whole or in part any prior
 31 resolution of the Agency with respect to the authority granted to the Executive Director in
 32 relation to Prior Bonds and related agreements, including but not limited to (i) the authority to
 33 determine in furtherance of the objectives of the Program those matters required to be
 34 determined in relation to Prior Bonds, whether under indentures or other related agreements, and
 35 (ii) the authority to amend, modify or replace financial agreements of the types described in
 36 Section 18 of this resolution.

37 Section 20. **Authorization of Related Actions and Agreements.** The Treasurer and
 38 any duly authorized deputy thereof, the Executive Director, and any other persons authorized in
 39 writing by the Executive Director are hereby authorized and directed, jointly and severally, to do
 40 any and all things and to execute and deliver any and all agreements and documents which they
 41 individually or collectively deem necessary or advisable in order to consummate the issuance,
 42 sale, delivery, remarketing, conversion and administration of Bonds and Prior Bonds and

1 otherwise to effectuate the purposes of this resolution, including declaring the official intent of the
2 Agency for purposes of U.S. Treasury Regulations Section 1.150-2, and including executing and
3 delivering any amendment or supplement to any agreement or document, or executing and
4 delivering any termination agreement or other document relating to Bonds or Prior Bonds in any
5 manner. Such agreements may include, but are not limited to, remarketing agreements, tender
6 agreements or similar agreements regarding any put option for Bonds or Prior Bonds, broker-
7 dealer agreements, market agent agreements, auction agent agreements or other agreements
8 necessary or desirable in connection with the issuance of Bonds in, or the conversion of Bonds or
9 Prior Bonds to or from, an auction rate mode or an indexed rate mode, agreements for the
10 investment of moneys relating to the Bonds or Prior Bonds, reimbursement agreements, letter of
11 credit agreements, intercreditor agreements or other arrangements relating to any credit
12 enhancement or liquidity support or put option provided for the Bonds or the Prior Bonds,
13 continuing disclosure agreements and agreements for necessary services provided in the course of
14 the issuance of the bonds, including but not limited to, agreements with bond underwriters,
15 remarketing agents, placement agents, private placement purchasers, bond trustees, fiscal agents,
16 escrow agents, bond counsel and financial advisors and contracts for consulting services or
17 information services relating to the financial management of the Agency, including advisors or
18 consultants on interest rate swaps, cash flow management, and similar matters, and contracts for
19 financial printing and similar services. The Executive Director, any persons authorized in writing
20 by the Executive Director are hereby authorized and directed, jointly and severally, to provide as
21 necessary for payment of costs of issuance related to Bonds and to provide for the Agency to
22 contribute capital as necessary to facilitate the issuance of Bonds.

23 This resolution shall constitute full, separate, complete and additional authority
24 for the execution and delivery of all agreements and instruments described in this resolution,
25 without regard to any limitation in the Agency’s regulations and without regard to any other
26 resolution of the Board that does not expressly amend and limit this resolution.

27 Section 21. **Certain Definitions.** For purposes of this resolution, the term “financing”
28 shall include both “financing and “refinancing”, the term “bonds” shall include, as set forth in
29 Section 50058 of the Act, “bonds, notes (including bond anticipation notes and construction loan
30 notes), debentures, interim or other certificates, or other evidences of financial indebtedness
31 issued by the Agency, the term “indenture” shall include indentures, trust agreements, loan
32 agreements, financing agreements and all comparable documents providing for the issuance of
33 bonds, and the term “costs of issuance” shall include costs of refunding or other customary
34 transaction costs as applicable.

35 Section 22. **Additional Delegation.** Any and all actions by the Executive Director
36 approved or authorized by this resolution may be taken instead by the Chief Deputy Director of
37 the Agency or the Director of Financing of the Agency, or by any other person specifically
38 authorized in writing by the Executive Director, and except to the extent otherwise taken by
39 another person shall be taken by the Chief Deputy Director during any period during which the
40 office of the Executive Director is vacant.

1 SECRETARY'S CERTIFICATE

2 I, CLAIRE TAURIAINEN, the undersigned, do hereby certify that I am the duly authorized
3 Secretary of the Board of Directors of the California Housing Finance Agency, and hereby
4 further certify that the foregoing is a full, true, and correct copy of Resolution No. 23-02 duly
5 adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency
6 duly called and held on the 7th day of March 2023, at which meeting all said directors had due
7 notice, a quorum was present and that at said meeting said resolution was adopted by the
8 following vote:

9 AYES:

10 NOES:

11 ABSTENTIONS:

12 ABSENT:

13 IN WITNESS WHEREOF, I have executed this certificate hereto this 7th day of March
14 2023.

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

State of California

MEMORANDUM

To: Board of Directors

Date: February 24 , 2023



From: Erwin Tam, Director of Financing
CALIFORNIA HOUSING FINANCE AGENCY

Subject: ANNUAL MULTIFAMILY NON-BOND FINANCING AUTHORIZATION
 RESOLUTION 23-03

Resolution 23-03 would give the Executive Director the authority necessary to finance various multifamily programs with non-bond financed sources. The following summarize the main authorizations contained in each of the three articles.

ARTICLE I – AUTHORIZATION AND TERMS OF BORROWING TO FINANCE THE PROGRAM

Article I authorizes Externally-Sourced Non-Bond Funds for new lending under the Program. The borrowing of Externally-Sourced Non-Bond Funds can be secured by the general obligation of the Agency.

ARTICLE II – AUTHORIZATION AND TERMS OF USE OF AGENCY NON-BOND FUNDS TO FINANCE THE PROGRAM

Article II authorizes the use of funds of the Agency, from non-bond sources under Agency control, or from State of California funds administered by the Agency for the purposes of: i) financing, carrying or warehousing, for future committed financing of the Agency by Externally-Sourced Non-Bond Funds; ii) new loans for the acquisition, construction, rehabilitation, refinancing or development of Developments, including providing subordinate or gap financing and to supplement interest rates or costs of the financing of loans by the Agency.

ARTICLE III – PROVISIONS APPLICABLE TO THE USE OF EXTERNALLY-SOURCED NON-BOND FUNDS AND AGENCY NON-BOND FUNDS AUTHORIZED UNDER THIS RESOLUTION

Article III authorizes the Executive Director to execute all documents they deem necessary or appropriate in connection with the Program.

Attachments

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3
4 RESOLUTION NO. 23-03

5
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");
15

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
26

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;
33

34 WHEREAS, the Agency has, by its Resolutions 19-02 related to SB2, 19-1420-
35 17, and 21-16 related to AB101, the authority to utilize funds related to SB2 and AB101,
36 respectively, for the implementation of a broader mixed-income strategy and shall deploy these
37 funds as part of various CalHFA programs.
38

39 NOW, THEREFORE, BE IT RESOLVED, by the California Housing Finance
40 Agency as follows:
41

42 **ARTICLE I**

43 **AUTHORIZATION AND TERMS OF BORROWING TO FINANCE THE PROGRAM**
44
45

1 Section 1. Determination of Need and Amount of Borrowing to Finance
 2 **Programs.** The Agency is of the opinion and hereby determines that the borrowing of funds
 3 from external non-bond sources (“Externally-Sourced Non-Bond Funds”), including but not
 4 limited to financing provided by the Federal Government, the selling or securitization of Loans
 5 within the Agency’s portfolio (“Agency Loans”), the pledge of Agency Loans as collateral to
 6 secure financing, assigning or participations in Agency Loans is necessary to provide sufficient
 7 funds for new lending under the Program.

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

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

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

31
 32 Externally-Sourced Non-Bond Funds and the related agreements may contain
 33 such provisions as may be necessary to accommodate prepayment by or on behalf of the Agency
 34 or a person other than the Agency, and/or to accommodate the requirements of any provider of
 35 insurance or other credit enhancement.

36
 37 *Externally-Sourced Fund Terms.* No Externally-Sourced Non-Bond Funds shall
 38 be borrowed at a term in excess of fifty-five years or bear interest at a stated rate in excess of
 39 fifteen percent (15%) per annum.

40
 41 **ARTICLE II**

42
 43 **AUTHORIZATION AND TERMS OF USE OF AGENCY NON-BOND FUNDS TO**
 44 **FINANCE THE PROGRAM**

1 Section 5. Determination of Need and Amount of Additional Funds to
 2 **Finance Programs.** The Agency is of the opinion and hereby determines that the use of the
 3 funds of the Agency, from non-bond sources under Agency control, or from State of California
 4 funds administered by the Agency, including but not limited to SB2, AB101, and AB128 funds,
 5 (together “Agency Funds or Administered Funds”) is necessary to provide sufficient funds for
 6 new lending under the Program.

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

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

23 24 **ARTICLE III**

25 26 PROVISIONS APPLICABLE TO THE USE OF EXTERNALLY SOURCED NON-BOND 27 FUNDS AND AGENCY FUNDS OR ADMINISTERED FUNDS (COLLECTIVELY “NON- 28 BOND FUNDS”) AUTHORIZED UNDER THIS RESOLUTION

29
 30 Section 7. Authorization of the use of Non-Bond Funds for Lending within
 31 **the Program.** The use of Non-Bond Funds is hereby authorized with regard to Programs as
 32 determined by the Executive Director.

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

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

6
7 The Executive Director and the Authorized Employees are hereby authorized to
8 enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of
9 mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the
10 Executive Director may select in accordance with the objectives of the Program.

11
12 The Executive Director and the other Authorized Employees are hereby
13 authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale
14 of foreclosed properties with such purchasers as the Executive Director may select in accordance
15 with the objectives of the Program. Any such sale of foreclosed properties may be on an all cash
16 basis or may include financing by the Agency. The Executive Director and the other Authorized
17 Employees are also authorized to enter into any other agreements, including but not limited to
18 real estate brokerage agreements and construction contracts, necessary or convenient for the
19 rehabilitation, listing and sale of such foreclosed properties.

20
21 Section 9. Authorization of Credit Facilities. The Executive Director and
22 Authorized Employees of the Agency are hereby authorized to enter into, for and in the name
23 and on behalf of the Agency, one or more short-term or long-term credit facilities, including but
24 not limited to repurchase agreements, together with any extensions or other amendments thereto,
25 for the purposes of making or financing the purchase of Loans and/or mortgage-backed securities
26 on an interim basis. The Agency may pledge its General Obligation as a credit support for said
27 Credit Facilities. Any such credit facility may be from any appropriate source as determined by
28 the Director of Financing and approved by the Executive Director; provided, however, that the
29 aggregate outstanding principal amount of credit facilities authorized under this resolution and
30 the other financing resolutions adopted at the same meeting, as amended from time to time, may
31 not at any time exceed \$1,000,000,000.

32
33 Section 10. Ratification of Prior Actions; Not a Repeal of Prior Resolutions.
34 All actions previously taken by the officers of the Agency in connection with the implementation
35 of the Program, the execution and delivery of related financial agreements and related program
36 agreements and the implementation of any credit facilities as described above are hereby
37 approved and ratified.

38
39 This resolution is not intended to repeal in whole or in part any prior resolution of
40 the Agency with respect to the authority granted to the Executive Director and the other
41 Authorized Employees in relation to the use of Non-Bond Funds and related agreements,
42 including but not limited to (1) the authority to determine in furtherance of the objectives of the
43 Program those matters required to be determined in relation to Non-Bond Funds, whether under
44 indentures or other related agreements, and (2) the authority to amend, modify or replace
45 financial agreements of the types described in Section 3 of this Resolution.

1 **Section 11. Authorization of Related Actions and Agreements.** The Executive
2 Director, any other persons authorized in writing by the Executive Director and the other
3 Authorized Employees are hereby authorized and directed, jointly and severally, to do any and
4 all things and to execute and deliver any and all agreements and documents which they deem
5 necessary or advisable in order to consummate the borrowing of Externally-Sourced Non-Bond
6 Funds and otherwise to effectuate the purposes of this resolution including executing and
7 delivering any amendment or supplement to any agreement or document relating to the
8 Externally-Sourced Non-Bond Funds in any manner that would be authorized under this
9 resolution if such agreement or document related to Externally-Sourced Non-Bond Funds
10 authorized by this resolution. Subject in all cases to the express limitations set forth above in this
11 resolution, such agreements, together with any extensions or other amendments thereto, may
12 include, but are not limited to, reimbursement agreements, letter of credit agreements,
13 intercreditor agreements or other arrangements relating to any credit enhancement or liquidity
14 support, continuing disclosure agreements and agreements for necessary services provided in the
15 course of the borrowing of the Externally-Sourced Non-Bond Funds, including but not limited
16 to, agreements with counsel and financial advisors and contracts for consulting services or
17 information services relating to the financial management of the Agency, including advisors or
18 consultants on interest rate swaps, cash flow management, and similar matters, and contracts for
19 financial printing and similar services. The Executive Director, any persons authorized in
20 writing by the Executive Director and the other Authorized Employees are hereby authorized and
21 directed, jointly and severally, to provide as necessary for payment of costs of borrowing related
22 to Externally-Sourced Non-Bond Funds and to provide for the Agency to contribute capital as
23 necessary to facilitate the borrowing of Externally-Sourced Non-Bond Funds.
24

25 This resolution shall constitute full, separate, complete and additional authority
26 for the execution and delivery of all agreements and instruments described in this resolution,
27 without regard to any limitation in the Agency's regulations and without regard to any other
28 resolution of the Board that does not expressly amend and limit this resolution.
29

30 **Section 12. Additional Delegation.** All actions by the Executive Director
31 approved or authorized by this resolution may be taken by the Chief Deputy Director of the
32 Agency, the Director of Financing of the Agency or any other person specifically authorized in
33 writing by the Executive Director and except to the extent otherwise taken by another person
34 shall be taken by the Chief Deputy Director during any period in which the office of the
35 Executive Director is vacant.
36

37 **Section 13. Duration of Authority.** The authority granted under this resolution
38 shall remain in full force and effect until the day 60 days after the first date after March 1, 2023
39 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. 23-03 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 7th day of March 2023, 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:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 7th day of March 2023.

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

State of California

MEMORANDUM

To: Board of Directors

Date: February 24, 2023



From: Erwin Tam, Director of Financing
CALIFORNIA HOUSING FINANCE AGENCY

Subject: ANNUAL SINGLE FAMILY BOND FINANCING AUTHORIZATION
RESOLUTION 23-04

Resolution 23-04 would give the Agency the authority necessary to finance the business plan and manage outstanding single family debt obligations. The resolution comprises three articles providing appropriate levels of authorization for each of the following: issuance of refunding bonds for debt management purposes, issuance of MBS Bonds and provisions applicable to all bonds issued under the resolution.

The following summarize the main authorizations contained in each of the three articles.

ARTICLE I – AUTHORIZATION AND TERMS OF MBS BONDS

Article I authorizes single family bonds to be issued to provide sufficient funds to finance the purchase of new single family mortgage-backed securities in an aggregate amount not to exceed the sum of the amount of private activity bond volume cap made available for the single family program by the California Debt Limit Allocation Committee (CDLAC) and up to \$1 billion for federally-taxable single family bonds.

Bonds are authorized to be issued as MBS Bonds. MBS Bonds shall be issued only as fixed rate bonds, and no hedging Instrument shall be entered into with respect to MBS Bonds.

Bonds are authorized to be issued in one or more forms similar to Articles I through XII of the RMR Indenture as modified to be consistent in format, style, procedures, processes and reporting to the form of the draft CalHFA Affordable Housing Revenue Bonds Bond Indenture presented to this meeting.

ARTICLE II – PROVISIONS APPLICABLE TO ALL BONDS ISSUED UNDER THIS RESOLUTION

Article II authorizes staff to circulate preliminary official statements and official statements relating to refunding bonds and MBS Bonds as necessary to prospective and actual bond investors. Bonds are authorized to be sold at negotiated or competitive sale as public offerings or as private placements depending on market conditions at the time of sale. The resolution also authorizes all documents and agreements required in connection with our homeownership lending programs.

The resolution also authorizes the Agency to take further action related to prior bonds and related financial agreements that were authorized by prior resolutions of the Board and to amend, modify and replace those financial agreements deemed necessary in furtherance of the objectives of the single family lending program.

The resolution authorizes staff to enter into financial agreements that are related to the issuance of bonds as well as consulting services or information services related to the financial management of the Agency. This resolution also authorizes the payment of costs of issuance associated with the sale of all bonds and authorizes capital contributions from the Agency as necessary to issue such bonds.

The resolution authorizes short-term credit facilities for operating capital and for the Single Family Programs. Any such credit facility may be secured by any Loans, mortgage-backed securities and/or other assets thereunder and/or the general obligation of the Agency. Any such credit facility may be from any appropriate source, including, but not limited to, the Pooled Money Investment Account.

Attachments

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3
4 RESOLUTION NO. 23-04

5 RESOLUTION AUTHORIZING THE AGENCY'S SINGLE FAMILY BOND INDENTURES,
6 THE ISSUANCE OF SINGLE FAMILY BONDS, CREDIT FACILITIES FOR
7 HOMEOWNERSHIP PURPOSES, AND RELATED FINANCIAL AGREEMENTS AND
8 CONTRACTS FOR SERVICES
9

10 WHEREAS, the California Housing Finance Agency (the "Agency") has
11 determined that there exists a need in California for providing financial assistance, directly or
12 indirectly, to persons and families of low or moderate income to enable them to purchase or
13 refinance moderately-priced single family residences ("Residences");
14

15 WHEREAS, the Agency has determined that it is in the public interest for the
16 Agency to assist in providing such financing by means of various programs, including whole
17 loan and mortgage-backed securities programs (collectively, the "Program") to make loans to
18 such persons and families, or to developers, for the acquisition, development, construction and/or
19 permanent financing of Residences (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 issue bonds to
23 provide sufficient funds to finance the Program, including the purchase of mortgage-backed
24 securities ("MBSs") secured by Loans, the payment of capitalized interest on the bonds, the
25 establishment of reserves to secure the bonds, and the payment of other costs of the Agency
26 incident to, and necessary or convenient to, the issuance of the bonds;
27

28 WHEREAS, the Agency, pursuant to the Act, has from time to time issued
29 various series of its Home Mortgage Revenue Bonds (the "HMP Bonds"), its Housing Program
30 Bonds (the "HP Bonds"), and its Residential Mortgage Revenue Bonds (the "RMR Bonds"), and
31 is authorized pursuant to the Act to issue additional HMP Bonds, HP Bonds, and RMR Bonds
32 (collectively with bonds authorized under this resolution to be issued under new indentures, the
33 "Bonds") to provide funds to finance the Program;
34

35 WHEREAS, the Bonds may be issued for the primary purpose of purchasing
36 MBSs ("MBS Bonds") and
37

38 WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit
39 facilities for the purpose of financing the Program, including the making of Loans and the
40 payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of
41 the bonds;
42

43 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the
44 "Board") of the California Housing Finance Agency as follows:
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ARTICLE I

AUTHORIZATION AND TERMS OF MBS BONDS

Section 1. **Determination of Need and Amount of MBS Bonds.** The Agency is of the opinion and hereby determines that the issuance of one or more series of MBS Bonds, in an aggregate amount not to exceed the sum of the following amounts, is necessary to provide sufficient funds for the Program:

(a) the aggregate amount available for the retirement of Bonds and/or other qualified mortgage bonds and deemed replaced for federal tax law purposes with proceeds of such issuance,

(b) the aggregate amount of private activity bond allocations under federal tax law heretofore or hereafter made available to the Agency for such purpose, and

(c) if and to the extent interest on one or more of such series of Bonds is determined by the Executive Director to be intended not to be excludable from gross income for federal income tax purposes, \$100,000,000.

Section 2. **Authorization and Timing of MBS Bonds.** The MBS Bonds are hereby authorized to be issued in such aggregate amount at such time or times on or before the day 60 days after the date on which is held the first meeting of the Board on or after March 1, 2024 at which a quorum is present, as the Executive Director of the Agency (the “Executive Director”) deems appropriate, upon consultation with the Treasurer of the State of California (the “Treasurer”) as to the timing of each such issuance; *provided, however*, that if the bonds are sold at a time on or before the day 60 days after the date on which is held such meeting, pursuant to a forward purchase or drawdown agreement providing for the issuance of such Bonds on or before October 1, 2025 upon specified terms and conditions, such Bonds may be issued on such later date.

Section 3. **Approval of Forms of Indentures Related to MBS Bonds and Amendments.** The Executive Director and the Secretary of the Board of Directors of the Agency (the “Secretary”) are hereby authorized and directed, for and on behalf and in the name of the Agency in connection with the issuance of MBS Bonds, to execute and acknowledge and to deliver to the Trustees one or more new indentures, trust agreements or similar documents providing for the issuance of MBS Bonds (the “New MBS Indentures”), in one or more forms similar to Articles I through XII of the RMR Indenture.

Each such New MBS Indenture may be executed, acknowledged and delivered with such changes therein as the officers executing the same approve upon consultation with the Agency’s legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in any New MBS Indenture may include provision for a supplemental pledge of Agency moneys or assets (including but not limited to a deposit from the

1 Supplementary Bond Security Account created under Section 51368 of the Act) to additionally
2 secure the MBS Bonds if appropriate in furtherance of the objectives of the Program.
3
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5 The Executive Director and the Secretary are hereby authorized and directed, for
6 and on behalf and in the name of the Agency, to execute and acknowledge and to deliver to the
7 Trustees one or more amendments to any New MBS Indenture, each with such provisions as the
8 officers executing the same approve upon consultation with the Agency's legal counsel, such
9 approval to be conclusively evidenced by the execution and delivery thereof.
10

11 Section 4. **Fixed-Rate Bonds Only;** MBS Bonds shall be issued only as
12 fixed-rate bonds.
13

14 Section 5. **Approval of Forms of Series and Supplemental Indentures**
15 **Related to MBS Bonds and Amendments.** The Executive Director and the Secretary are
16 hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and
17 acknowledge and to deliver with respect to each series of MBS Bonds, if and to the extent
18 appropriate, series and/or supplemental indentures (each an "MBS Supplemental Indenture")
19 under either Articles I through XII of the RMR Indenture or a new MBS Indenture and in
20 substantially the form of the respective supplemental indentures previously executed and
21 delivered or approved, each with such changes therein as the officers executing the same approve
22 upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced
23 by the execution and delivery thereof. Changes reflected in any MBS Supplemental Indenture
24 may include provision for a supplemental pledge of Agency moneys or assets (including but not
25 limited to, a deposit from the Supplementary Bond Security Account created under
26 Section 51368 of the Act) to additionally secure the Bonds if appropriate in furtherance of the
27 objectives of the Program.
28

29 The Executive Director is hereby expressly authorized and directed, for and on
30 behalf and in the name of the Agency, to determine in furtherance of the objectives of the
31 Program those matters required to be determined under any New MBS Indenture, as appropriate,
32 in connection with the issuance of each such series, including, without limitation, any reserve
33 account requirement or requirements for such series.
34

35 The Executive Director and the Secretary are hereby authorized and directed, for
36 and on behalf and in the name of the Agency, to execute and acknowledge and to deliver to the
37 Trustees one or more amendments to any series and/or supplemental indentures under any new
38 MBS Indenture, each with such provisions as the officers executing the same approve upon
39 consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the
40 execution and delivery thereof.
41

42 Section 6. **Approval of Forms and Terms of MBS Bonds.** The MBS Bonds
43 shall be in such denominations, have such registration provisions, be executed in such manner,
44 be payable in such medium of payment at such place or places within or without California, be
45 subject to such terms of redemption (including from such sinking fund installments as may be
46 provided for) and contain such terms and conditions as each MBS Supplemental Indenture as

1 finally approved shall provide. The MBS Bonds shall have the maturity or maturities and shall
 2 bear interest at the fixed rate or rates deemed appropriate by the Executive Director in
 3 furtherance of the objectives of the Program; *provided, however*, that no MBS Bond shall have a
 4 term in excess of thirty-five (35) years or bear interest at a stated rate in excess of fifteen percent
 5 (15%) per annum.

7 ARTICLE II

9 PROVISIONS APPLICABLE TO ALL BONDS OF THE AGENCY

10
 11 Section 7. **Authorization of Disclosure.** The Executive Director is hereby
 12 authorized to circulate one or more Preliminary Official Statements relating to the Bonds and,
 13 after the sale of the Bonds, to execute and circulate one or more Official Statements relating to
 14 the Bonds, and the circulation of such Preliminary Official Statements and such Official
 15 Statements to prospective and actual purchasers of the Bonds is hereby approved. The Executive
 16 Director is further authorized to hold information meetings concerning the Bonds and to
 17 distribute other information and material relating to the Bonds. Circulation of Preliminary
 18 Official Statements and Official Statements and distribution of information and material as
 19 provided above in this Section may be accomplished through electronic means or by any other
 20 means approved therefor by the Executive Director, such approval to be conclusively evidenced
 21 by such circulation or distribution.

22
 23 Section 8. **Authorization of Sale of Bonds.** The Bonds are hereby
 24 authorized to be sold at negotiated or competitive sale or sales, including but not limited to
 25 private placements and public offerings. The Executive Director is hereby authorized and
 26 directed, for and in the name and on behalf of the Agency, to execute and deliver one or more
 27 purchase contracts (including one or more forward purchase agreements) relating to the Bonds,
 28 by and among the Agency, the Treasurer and such underwriters or other purchasers as the
 29 Executive Director may select (the "Purchasers"), in the form or forms approved by the
 30 Executive Director upon consultation with the Agency's legal counsel, such approval to be
 31 evidenced conclusively by the execution and delivery of said purchase contract by the Executive
 32 Director.

33
 34 The Treasurer is hereby authorized and requested, without further action of the
 35 Board and unless instructed otherwise by the Board, to sell each series of Bonds at the time and
 36 place and pursuant to the terms and conditions set forth in each such purchase contract as finally
 37 executed. The Treasurer is hereby further authorized and requested to deposit the proceeds of
 38 any good faith deposit to be received by the Treasurer under the terms of a purchase contract in a
 39 special trust account for the benefit of the Agency, and the amount of said deposit shall be
 40 retained by the Agency, applied at the time of delivery of the applicable Bonds as part of the
 41 purchase price thereof, or returned to the Purchasers, as provided in such purchase contract.

42
 43 Section 9. **Authorization of Execution of Bonds.** The Executive Director is
 44 hereby authorized and directed to execute, and the Secretary is hereby authorized to attest, for
 45 and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate
 46 amount not to exceed the amount authorized hereby, in accordance with the New MBS

1 Indenture(s) and in one or more of the forms set forth in the New MBS Indenture(s), as
2 appropriate.

3
4 Section 10. **Authorization of Delivery of Bonds.** The Bonds, when so
5 executed, shall be delivered to the Trustees to be authenticated by, or caused to be authenticated
6 by, the Trustees. The Trustees are hereby requested and directed to authenticate, or cause to be
7 authenticated, the Bonds by executing the certificate of authentication and registration appearing
8 thereon, and to deliver the Bonds when duly executed and authenticated to the Purchasers in
9 accordance with written instructions executed on behalf of the Agency by the Executive
10 Director, which instructions said officer is hereby authorized and directed, for and on behalf and
11 in the name of the Agency, to execute and deliver. Such instructions shall provide for the
12 delivery of the Bonds to the Purchasers upon payment of the purchase price or prices thereof.

13
14 Section 11. **Authorization of Program Documents.** The Executive Director
15 and the other officers of the Agency are hereby authorized to enter into, for and in the name and
16 on behalf of the Agency, all documents they deem necessary or appropriate in connection with
17 the Program, including, but not limited to, one or more mortgage purchase and servicing
18 agreements (including mortgage-backed security pooling agreements) and one or more loan
19 servicing agreements with such lender or lenders or such servicer or servicers as the Executive
20 Director may select in accordance with the purposes of the Program, and any such selection of a
21 lender or lenders or a servicer or servicers is to be deemed approved by this Board as if it had
22 been made by this Board. The proceeds of MBS Bonds to be issued under the authority of this
23 Resolution shall be used to purchase MBSs guaranteed by Fannie Mae, Freddie Mac, Ginnie
24 Mae, or other appropriate guarantor and shall not be used to purchase whole loans. The MBSs to
25 be purchased may be secured by loans that have terms of 30 years or less.

26
27 The Executive Director and the other officers of the Agency are hereby authorized
28 to enter into, for and in the name and on behalf of the Agency, one or more mortgage sale
29 agreements with such purchasers as the Executive Director may select in accordance with the
30 objectives of the Program, including but not limited to such agreements with Fannie Mae,
31 Freddie Mac or other government-sponsored enterprise or similar entity for such sales in bulk or
32 otherwise. Any such sale of Loans may be on either a current or a forward purchase basis.

33
34 The Executive Director and the other officers of the Agency are hereby authorized
35 to enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures
36 of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as
37 the Executive Director may select in accordance with the objectives of the Program.

38
39 The Executive Director and the other officers of the Agency are hereby authorized
40 to enter into, for and in the name and on behalf of the Agency, contracts for the sale of
41 foreclosed properties with such purchasers as the Executive Director may select in accordance
42 with the objectives of the Program. Any such sale of foreclosed properties may be on either an
43 all cash basis or may include financing by the Agency. The Executive Director and the other
44 officers of the Agency are also authorized to enter into any other agreements, including but not
45 limited to real estate brokerage agreements and construction contracts necessary or convenient
46 for the rehabilitation, listing and sale of such foreclosed properties.

1
2 The Executive Director and the other officers of the Agency are hereby authorized
3 to enter into, for and in the name and on behalf of the Agency, (i) contracts or agreements for the
4 purchase or sale of mortgage-backed securities; (ii) servicing agreements, including master
5 servicing agreements, in connection with the operation of a program of mortgage-backed
6 securities; (iii) agreements with government-sponsored enterprises, or other secondary market
7 issuers or guarantors of mortgage-backed securities; and (iv) such other program documents as
8 are necessary or appropriate for the operation of a program of mortgage-backed securities; any of
9 the foregoing may, as applicable, be secured by any Loans, mortgage-backed securities and/or
10 other assets thereunder and/or the general obligation of the Agency.
11

12 Section 12. **Authorization of Credit Facilities.** The Executive Director and
13 the other officers of the Agency are hereby authorized to enter into, for and in the name and on
14 behalf of the Agency, one or more short-term or long-term credit facilities, together with any
15 extensions or other amendments thereto, including but not limited to repurchase agreements, for
16 the purposes of (i) improving the credit and/or liquidity profile of Bonds of the Agency,
17 (ii) financing the purchase of Loans and/or mortgage-backed securities on an interim basis, prior
18 to the sale thereof to third parties and/or the financing thereof with Bonds, whether issued or to
19 be issued; (iii) financing expenditures of the Agency incident to, and necessary or convenient to,
20 the issuance of Bonds and/or the preservation of private activity volume cap for subsequent
21 recycling, including, but not limited to, Agency expenditures to pay costs of issuance, capitalized
22 interest, redemption price of prior bonds of the Agency or bonds issued by another issuer for the
23 purpose of preservation for subsequent recycling, costs relating to credit enhancement or
24 liquidity support, costs relating to investment products, or net payments and expenses relating to
25 interest rate hedges and other financial products; and (iv) enabling the Agency to restructure
26 existing debt and related purposes, including, but not limited to, the redemption of existing bonds
27 and the acquisition of bonds that have been put to liquidity providers as bank bonds. Any such
28 credit facility may be secured by any Loans, mortgage-backed securities and/or other assets
29 thereunder and/or the general obligation of the Agency. Any such credit facility may be from
30 any appropriate source as determined by the Director of Financing and approved by the
31 Executive Director, provided, however, that the aggregate outstanding principal amount of credit
32 facilities authorized under this resolution and the other financing resolutions adopted at the same
33 meeting, as amended from time to time, may not at any time exceed \$1,000,000,000. For
34 purposes of clarity, the above limitation applicable to credit facilities does not limit the amount
35 of Bonds authorized by this resolution.
36

37 The Executive Director and the other officers of the Agency are hereby authorized
38 to use available Agency moneys (other than and in addition to the proceeds of bonds) (i) to make
39 or purchase Loans and/or mortgage-backed securities to be financed by bonds (including bonds
40 authorized by prior resolutions of this Board) in anticipation of draws on a credit facility, the
41 issuance of Bonds or the availability of Bond or other Agency proceeds, as authorized by the
42 Board, for such purposes and (ii) to purchase Agency bonds to enable the Agency to restructure
43 its debt and for related purposes as authorized under Resolution No. 08-42 and any future Board
44 resolutions thereto amendatory or supplemental.
45

1 Section 13. **Ratification of Prior Actions; Not a Repeal of Prior**
2 **Resolutions.** All actions previously taken by the Agency relating to the implementation of the
3 Program, the issuance of the Bonds, the issuance of any prior bonds (the “Prior Bonds”), the
4 execution and delivery of related financial agreements and related program agreements and the
5 implementation of any credit facilities as described above, including, but not limited to, such
6 actions as the distribution of the Agency’s Lender Program Manual, Mortgage Purchase and
7 Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer’s Guide, Program
8 Bulletins and applications to originate and service loans, and the sale of any foreclosed property,
9 are hereby ratified.

10
11 This resolution is not intended to repeal in whole or in part any prior resolution of
12 the Agency with respect to the authority granted to the Executive Director and the other officers
13 of the Agency in relation to prior bonds and related agreements, including but not limited to
14 (i) the authority to determine in furtherance of the objectives of the Program those matters
15 required to be determined in relation to prior bonds, whether under indentures or other related
16 agreements, and (ii) the authority to amend, modify or replace financial agreements of the types
17 described in Section 5 of this resolution.

18
19 Section 14. **Authorization of Related Actions and Agreements.** The
20 Treasurer and any duly authorized deputy thereof and the Executive Director and the other
21 officers of the Agency and any other persons authorized in writing by the Executive Director are
22 hereby authorized and directed, jointly and severally, to do any and all things and to execute and
23 deliver any and all agreements and documents which they deem necessary or advisable in order
24 to consummate the issuance, sale, delivery, remarketing, conversion and administration of Bonds
25 and Prior Bonds and otherwise to effectuate the purposes of this resolution, including declaring
26 the official intent of the Agency for purposes of U.S. Treasury Regulations Section 1.150-2, and
27 including executing and delivering any amendment or supplement to any agreement or document
28 relating to Bonds or Prior Bonds in any manner that would be authorized under this resolution if
29 such agreement or document related to Bonds is authorized by this resolution. Such agreements
30 may include, but are not limited to, remarketing agreements, tender agreements or similar
31 agreements regarding any put option for the Bonds or Prior Bonds, broker-dealer agreements,
32 market agent agreements, auction agent agreements or other agreements necessary or desirable in
33 connection with the issuance of Bonds in, or the conversion of Bonds or Prior Bonds to, an
34 indexed rate mode, agreements for the investment of moneys relating to the Bonds or Prior
35 Bonds, reimbursement agreements, letters of credit, intercreditor agreements or other
36 arrangements relating to any credit enhancement or liquidity support or put option provided for
37 the Bonds or Prior Bonds, continuing disclosure agreements and agreements for necessary
38 services provided in the course of the issuance of the bonds, including but not limited to,
39 agreements with bond underwriters and placement agents, private placement purchasers, bond
40 trustees, bond counsel and financial advisors and contracts for consulting services or information
41 services relating to the financial management of the Agency, including advisors or consultants on
42 interest rate swaps, cash flow management, and similar matters, and contracts for financial
43 printing and similar services.

44
45 This resolution shall constitute full, separate, complete and additional authority
46 for the execution and delivery of all agreements and instruments described in this resolution,

1 without regard to any limitation in the Agency's regulations and without regard to any other
2 resolution of the Board that does not expressly amend and limit this resolution.
3

4 The Executive Director and the officers of the Agency and any other persons
5 authorized in writing by the Executive Director are hereby authorized and directed, jointly and
6 severally, in connection with the issuance of bonds authorized under this resolution, to use funds
7 of the Agency to purchase MBSs, make a capital contribution with respect to such bonds,
8 establish reserves to secure such bonds, and pay other costs of the Agency incident to, and
9 necessary or convenient to, the issuance of such bonds.
10

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

18 Section 22. **Authorization of Other Financial Agreements Related to**
19 **Bonds.** The Executive Director is hereby authorized to enter into, for and in the name and on
20 behalf of the Agency, any and all agreements and documents designed to amend, modify or
21 replace existing agreements and documents related to Bonds to (i) reduce or hedge the amount or
22 duration of any payment, interest rate, spread or similar risk with respect to Bonds or related
23 investments, (ii) result in a lower cost of borrowing when used in combination with the issuance
24 or carrying of Bonds or related investments, or (iii) enhance the relationship between risk and
25 return with respect to the existing debt of the Program or any portion thereof. Such agreements
26 and other documents are authorized to be entered into with parties selected by the Executive
27 Director, after giving due consideration for the creditworthiness of the counterparties, when
28 applicable, or any other criteria in furtherance of the objectives of the management of the debt of
29 the Program.
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SECRETARY'S CERTIFICATE

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3 I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized
4 Secretary of the Board of Directors of the California Housing Finance Agency, and hereby
5 further certify that the foregoing is a full, true, and correct copy of Resolution No. 23-04 duly
6 adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency
7 duly called and held on the 7th day of March, 2023, at which meeting all said directors had due
8 notice, a quorum was present and that at said meeting said resolution was adopted by the
9 following vote:

10
11 AYES:

12
13 NOES:

14
15 ABSTENTIONS:

16
17 ABSENT:

18
19 IN WITNESS WHEREOF, I have executed this certificate hereto this 7th day of
20 March, 2023.

21
22
23 ATTEST:

24 _____
25 CLAIRE TAURIAINEN
26 Secretary of the Board of Directors of the
27 California Housing Finance Agency
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State of California

MEMORANDUM

To: Board of Directors

Date: February 24, 2023



From: Erwin Tam, Director of Financing
CALIFORNIA HOUSING FINANCE AGENCY

Subject: ANNUAL SINGLE FAMILY NON-BOND FINANCING AUTHORIZATION
 RESOLUTION 23-05

Resolution 23-05 would give the Agency the authority necessary to finance various single-family programs with non-bond financing mechanisms. The following summarize the main authorizations contained in each of the three articles.

ARTICLE I – AUTHORIZATION OF MBS SECURITIZATION STRATEGIES AND LOAN PRODUCTS

Article I authorizes the utilization of the MBS securitization model as the Agency's non-bond single-family lending platform.

ARTICLE II – FUNDING AUTHORIZATION FOR ALL LOAN PRODUCTS

The Agency may not purchase first lien whole loans using Agency funds, other than \$12 million previously authorized by the Board for the SR710 Affordable Sales Program. In addition, the Agency may purchase a maximum of Twenty-Five Million (\$25,000,000.00) of subordinate loans using Agency funds and the Agency may purchase or fund a maximum of Twenty-Five Million (\$25,000,000.00) of other loans for the purpose of incentivizing affordable homeownership in disadvantaged communities to generate intergenerational wealth for families who have experienced government regulated discrimination.

ARTICLE III – PROVISIONS APPLICABLE TO ALL SINGLE FAMILY LOAN PRODUCT ACTIVITIES

Article III authorizes the Executive Director to enter into all documents necessary in connection with all non-bond financed single-family loan product activities and to acquire a short-term or long-term credit facility, which can be secured by the general obligation of the Agency.

Attachments

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3
4 RESOLUTION NO. 23-05

5 RESOLUTION AUTHORIZING THE AGENCY'S SINGLE FAMILY NON-BOND
6 FINANCING MECHANISMS FOR HOMEOWNERSHIP PURPOSES, AND RELATED
7 FINANCIAL AGREEMENTS AND CONTRACTS FOR SERVICES
8

9 WHEREAS, the California Housing Finance Agency (the "*Agency*") has determined that
10 there exists a need in California for providing financial assistance, directly or indirectly, to
11 persons and families of low and moderate income to enable them to purchase or refinance
12 moderately priced single family homes;
13

14 WHEREAS, the Agency has determined that it is in the public interest for the Agency to
15 assist in providing such financing by means of various programs, including whole loans and
16 mortgage-backed securities programs (collectively, the "*Program*") to make or finance loans to
17 such persons and families, to local public entities or to developers, for the acquisition,
18 development, construction and/or permanent financing of homes (the "*Loans*");
19

20 WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code
21 of the State of California (the "*Act*"), the Agency may invest in, purchase, or make commitments
22 to purchase, and take assignments from qualified mortgage lenders of mortgage loans, and
23 purchase mortgage-backed securities ("*MBSs*") underlain by Loans; and
24

25 WHEREAS, the Agency's single family lending division is seeking authorization to
26 utilize the MBS securitization model as the Agency's non-bond single family lending platform.
27 This model requires the Agency to engage a master servicer(s). A subset of MBS securitization,
28 the TBA model, is an example of non-bond lending, the use of which was previously authorized
29 by the Board in Resolution 13-09.
30

31 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "*Board*") of the
32 California Housing Finance Agency as follows:
33

34 **ARTICLE I**

35
36 **AUTHORIZATION OF MBS SECURITIZATION STRATEGIES**
37 **AND LOAN PRODUCTS**
38

39 Section 1. The Agency's single family lending division is hereby authorized to utilize
40 the MBS securitization model as the Agency's non-bond single family lending platform. The
41 Agency's underwriting requirements shall conform to Fannie Mae, Freddie Mac, or Ginnie Mae
42 ("*GSE*"), Federal Housing Administration ("*FHA*") products and programs, U.S. Department of
43 Veterans Affairs ("*VA*"), and occasionally be combined with additional Agency overlays, such
44 as those previously approved by the Board in Resolutions 13-18 and 14-08, which modified
45 eligibility criteria and parameters for Conventional and FHA loan products, to determine loan
46 product requirements. The Agency shall offer a variety of first loan options, consistent with

1 GSE, VA, and FHA guidelines. Agency staff shall periodically update the Board on program and
2 product modifications.

3 ARTICLE II

4 FUNDING AUTHORIZATION FOR LOAN PRODUCTS

5
6
7 Section 1. Funding of First Lien Whole Loans. The Agency may purchase up to
8 Twelve Million Dollars (\$12,000,000.00) of whole loans using Agency funds allocated pursuant
9 to the Budget Act of 2021, as amended by Senate Bill No. 129. Such loans shall be used to
10 finance surplus residential property sales for the SR-710 Affordable Sales Program as authorized
11 by the Board in Resolution No. 22-01. The Agency may not purchase additional first lien whole
12 loans using Agency funds.

13
14 Section 2. Funding of Subordinate Loans. The Agency may purchase a maximum of
15 Twenty-Five Million (\$25,000,000.00) of subordinate loans using Agency funds.

16
17 Section 3. Other Loans. The Agency may purchase or fund a maximum of Twenty-
18 Five Million (\$25,000,000.00) of other loans for the purpose of incentivizing affordable
19 homeownership in disadvantaged communities to generate intergenerational wealth for families
20 who have experienced government regulated discrimination.

21 ARTICLE III

22 PROVISIONS APPLICABLE TO ALL SINGLE FAMILY 23 LOAN PRODUCT ACTIVITIES

24
25 Section 1. Authorization of Program Documents. The Executive Director and other
26 employees authorized by Article III, Section 5 (“*Authorized Employees*”) are hereby authorized
27 to enter into, for and in the name and on behalf of the Agency, all documents they deem
28 necessary or appropriate in connection with the Program, including, but not limited to, the
29 following:
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32
33 (i) One or more mortgage purchase and servicing agreements (including
34 mortgage-backed security pooling agreements) and one or more loan servicing agreements with
35 such lender or lenders or such servicer or servicers, as the Executive Director may select in
36 accordance with the purposes of the Program, and any such selection of a lender or lenders or a
37 servicer or servicers is to be deemed approved by this Board as if it had been made by this
38 Board;

39
40 (ii) One or more mortgage sale agreements with such purchasers as the
41 Executive Director may select in accordance with the objectives of the Program, including but
42 not limited to such agreements with GSEs or similar entity for such sales in bulk or otherwise.
43 Any such sale of Loans may be on either a current or a forward purchase basis;

44
45 (iii) Agreements required for CalHFA to participate in the GSE’s loan
46 programs;

47

1 (iv) Inter-Agency agreements, monitoring agreements, memoranda of
2 understanding, and similar such agreements for the facilitation of cooperative partnerships with
3 other public entities;

4
5 (v) Contracts to conduct foreclosures of mortgages owned or serviced by the
6 Agency with such attorneys or foreclosure companies as the Executive Director may select in
7 accordance with the objectives of the Program;

8
9 (vi) Contracts for the sale of foreclosed properties with such purchasers as the
10 Executive Director may select in accordance with the objectives of the Program. Any such sale
11 of foreclosed properties may be on either an all cash basis or may include financing by the
12 Agency. The Executive Director and Authorized Employees of the Agency are also authorized to
13 enter into any other agreements, including but not limited to real estate brokerage agreements
14 and construction contracts necessary or convenient for the rehabilitation, listing and sale of such
15 foreclosed properties; and

16
17 (vii) Master trade confirmation or similar agreements with a hedge facilitator;
18 contracts and agreements with broker-dealers to hedge the Agency's loan commitments and all
19 related documents required to carry out the activities described in the Agency's Master Hedge
20 Policy, as may be amended from time to time; and such other program documents as are
21 necessary or appropriate for the operation of a program of mortgage-backed securities.

22
23 Section 2. Authorization of Credit Facilities. The Executive Director and Authorized
24 Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf
25 of the Agency, one or more short-term or long-term credit facilities, including but not limited to
26 repurchase agreements, together with any extensions or other amendments thereto, for the
27 purposes of financing the purchase of Loans and/or mortgage-backed securities on an interim
28 basis. The Agency may pledge its General Obligation as a credit support for said Credit Facilities
29 Any such credit facility may be from any appropriate source as determined by the Director of
30 Financing and approved by the Executive Director, provided, however, that the aggregate
31 outstanding principal amount of credit facilities authorized under this resolution and the other
32 financing resolutions adopted at the same meeting, as amended from time to time, may not at any
33 time exceed \$1,000,000,000.

34
35 Section 3. Ratification of Prior Actions; Not a Repeal of Prior Resolutions. All
36 actions previously taken by the Agency relating to the implementation of the Program, the
37 execution and delivery of related financial agreements and related program agreements and the
38 implementation of any credit facilities as described above, including, but not limited to, such
39 actions as the distribution of the Agency's Lender Program Manual, Mortgage Purchase and
40 Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer's Guide, Program
41 Bulletins and applications to originate and service loans, and the sale of any foreclosed property,
42 are hereby ratified.

43
44 This Resolution is not intended to repeal in whole or in part any prior Resolution
45 of the Agency with respect to the authority granted to the Executive Director and Authorized
46 Employees of the Agency in relation to related agreements, including but not limited to the

1 authority to determine in furtherance of the objectives of the Program those matters required to
2 be determined.

3
4 Section 4. Authorization of Related Actions and Agreements. The Executive
5 Director and Authorized Employees of the Agency and any other persons authorized in writing
6 by the Executive Director are hereby authorized and directed, jointly and severally, to do any and
7 all things and to execute and deliver any and all agreements and documents which they deem
8 necessary or advisable in order to consummate the purchase and sale of residential home loans
9 and mortgage-backed securities.

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

15
16 Section 5. Additional Delegation. All actions by the Executive Director approved or
17 authorized by this Resolution may be taken by the Chief Deputy Director of the Agency, the
18 Director of Financing of the Agency or any other person specifically authorized in writing by the
19 Executive Director, and except to the extent otherwise taken by another person shall be taken by
20 the Chief Deputy Director during any period in which the office of the Executive Director is
21 vacant.

22
23 Section 6. Duration of Authority. The authority granted under this Resolution shall
24 remain in full force and effect until the day 60 days after the first date after March 1, 2023 on
25 which is held a meeting of the Board of Directors of the Agency at which a quorum is present.

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. 23-05 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 7th day of March, 2023 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:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 7th day of March, 2023.

ATTEST:

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

State of California

MEMORANDUM

To: Board of Directors

Date: March 7, 2023



From: Erwin Tam, Director of Financing
CALIFORNIA HOUSING FINANCE AGENCY

Subject: AUTHORIZATION TO MAKE APPLICATION TO THE CALIFORNIA DEBT
LIMIT ALLOCATION COMMITTEE
RESOLUTION 23-06

The California Debt Limit Allocation Committee (“CDLAC”) is the State entity which, under California law, allocates the federal volume cap for “private activity bonds” to be issued each year by State and local bond issuers. Private activity bonds are federally tax-exempt bonds which are issued to benefit non-governmental borrowers such as first-time homebuyers or owners of affordable rental housing developments.

This resolution would authorize application to CDLAC for a maximum of \$2.0 billion multifamily allocation. Such authorization would be in effect during the period of time in which Resolution 23-06, which authorizes the issuance of bonds for the Multifamily Program, is in effect.

Attachment

RESOLUTION NO. 23-06

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY
APPROVING APPLICATIONS TO THE CALIFORNIA DEBT LIMIT ALLOCATION
COMMITTEE FOR PRIVATE ACTIVITY BOND ALLOCATIONS
FOR THE AGENCY'S PROGRAMS

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

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 "Multifamily Program") to make or acquire, or to make loans to lenders to make or acquire, mortgage loans, for the purpose of financing such Developments;

WHEREAS, pursuant to the Act, the Agency has the authority to issue bonds to provide sufficient funds to finance the Multifamily Program;

WHEREAS, the Agency has by its Resolution No. 23-02 authorized the issuance of bonds for the Multifamily Program and desires to authorize application to the California Debt Limit Allocation Committee for private activity bond allocations to be used in connection with the issuance of all or a portion of such bonds in order for interest on such bonds to be excludable from gross income for federal income tax purposes;

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

Section 1. Authorization to Apply to CDLAC for the Multifamily Program.

The officers of the Agency are hereby authorized to apply from time to time to CDLAC for private activity bond allocations in an aggregate amount of up to \$2,000,000,000 per year to be used in connection with bonds issued under Resolution No. 23-02 or other resolutions heretofore or hereafter adopted by the Agency for the Multifamily Program.

Section 2. Authorization of Related Actions and Agreements.

The officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all agreements and documents which they may deem necessary or advisable in order to effectuate the purposes of this resolution, including but not limited to satisfying in the best interests of the Agency such conditions as CDLAC may establish for private activity bond allocation applications. Such officers and deputies are also hereby expressly authorized to accept on behalf and in the best interests of the Agency any private activity bond allocations offered by CDLAC, including but not limited to carryforward allocations, over and above those which may be granted pursuant to any application authorized hereinabove or in any prior resolution of the Board.

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. 23-06 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 7th day of March 2023, 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:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 7th day of March, 2023.

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

State of California

M E M O R A N D U M

To: Board of Directors

Date: March 1, 2023

From: Kate Ferguson, Director of Multifamily

CALIFORNIA HOUSING FINANCE AGENCY

Subject: UPDATE ON Multifamily Mixed Income Program 2023

CalHFA offers a variety of loan programs with competitive rates and long-term financing to advance the creation and preservation of affordable housing for people who truly need it. The goals of all the programs are to increase the supply of affordable rental housing, maintain a quality living environment, leverage private sector funds to the greatest extent possible, and to cooperate with local jurisdictions to advance affordable housing.

The CalHFA Mixed-Income Program (“MIP”) provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units between 30% and 120% of county Area Median Income. CalHFA assesses the terms and conditions of MIP on an annual basis and makes changes as dictated by economic, market, and industry influences. A new Mixed Income Term Sheet is posted each calendar year.

In February of 2023 the 2023 MIP Term Sheet was posted to the CalHFA website opening the application for 2023 MIP. The 2023 Term Sheet reflects changes as compared to the 2022 MIP Term Sheet. All Changes were previously approved by Tiena Johnson-Hall as Executive Director of CalHFA under authority delegated to her by the Board of Directors pursuant to Board of Directors of the California Housing Finance Agency Resolution No. 19-02 dated January 10, 2019.

A summary of the changes is outlined in Attachment 1 to this memo. The 2023 MIP Term Sheet in its final form is attached as Attachment 2.

ATTACHMENT 1

Summary of Changes

2023 Revisions to 2022 Mixed-Income Program (“MIP”) Term Sheet

General Updates/Revisions (throughout the document)

- Updated applicable CalHFA webpage links to certain documents that are referenced on term sheet
- Clerical updates for clarity that are not substantive

Page 1 - Section: Program Summary

- Updated language to indicate CalHFA will work with MIP applicants to assess the benefits of utilizing CalHFA’s Bond Recycling Program during construction and/or permanent periods and may require to include said funds as a source, subject to availability and project feasibility.
Reason: Promote and encourage bond recycling deployment, when available and feasible.
- Added language to indicate approval of all MIP funding allocations will be subject to the sole discretion by CalHFA.
Reason: Provide CalHFA the flexibility of MIP funding allocation.

Page 1 - Section: Mixed-Income Program Subsidy Loan Limits (new)

- Moved subsidy loan limit language to this newly created section.
Reason: For further clarity on program subsidy loan limits.
- Reduced the per project cap from \$8 million to \$4 million.
Reason: The per project cap was reduced due to an overall lower MIP funding available for deployment in 2023. In 2022, less than half of total State Tax Credits (“STC”) allocated to CalHFA from CTCAC for MIP in the amount of \$200 million were used in 2022 (~\$79.61 million). In 2023, the MIP applicants are expected to fully leverage STC.

Page 1 Section: Application (new)

- Moved existing language to this newly created section.
Reason: For further clarity on program application expectations.

Page 1 - Section: Qualifications

- Updated language to indicate and emphasize that CalHFA will work with MIP applicants to assess the benefits of utilizing CalHFA’s Bond Recycling Program during construction and/or permanent periods and may require to include said funds as a source, subject to availability and project feasibility.
Reason: Promote and encourage bond recycling deployment, when available and feasible.
- Updated language to indicate financing structure shall consist of “both” criteria listed on term sheet.
Reason: Provide clarity on financing structure.

Page 2 - Section: Qualifications (continued)

- Updated language to indicate the applicable CTCAC/CDLAC regulation sections and requirements.

Reason: Maintain consistency with CTCAC/CDLAC’s existing regulations.

Page 3 - Section: Qualifications (continued)

- Updated language regarding underwriting requirements prior to construction and permanent closing, which must show an on-going minimum DSCR of 1.15x through the term of the CalHFA permanent first lien loan.

Reason: Provide clarity regarding minimum DSCR of 1.15x requirement for MIP applicants.

- Omitted the “expected” State Tax Credits range between \$50,000 to \$75,000 per restricted unit and instead, added language that STC maximum amount shall be consistent with CDLAC regulations.

Reason: Omitting a specific range so MIP applicants have the flexibility to leverage STCs and structure their deals based on the projects financing need.

- Moved the project priority ranking method language from this section to a new section, “Project Application Qualifications” (see below).

Reason: A new “Project Application Ranking Qualifications” section has been created to provide MIP applicants clarity on the priority ranking methodology/calculation.

Page 4 - Section: Project Application Qualifications (new)

- MIP ranking has been revised to as follow:
 - MIP project applications will be initially assigned a ranking number per CDLAC’s tiebreaker and may be adjusted pursuant to the below bonus factors, subject to eligibility:

- MIP Efficiency Bonus:** The total MIP requested amount as a percentage of the eligible maximum MIP per unit shall be eligible for an adjustment to the original Project Rank Number based on a sliding scale per the below chart:

MIP as % of Eligible Maximum Per Unit	Adjustment
<20%	-0.500
20-40%	-0.375
41-60%	-0.250
61%-80%	-0.125
>80%	0.000

- STC Leveraging Bonus:** The total STC requested amount and total permissible soft funds as a percentage of the maximum STC shall be eligible for an adjustment to the original Project Rank Number based on a sliding scale per the below chart:

STC as % of Maximum Total STC	Adjustment
>80%	-0.500
61%-80%	-0.375
41-60%	-0.250
20-40%	-0.125
<20%	0.000

- New Developer Bonus:** Developers that are new to MIP (requesting MIP funding for the first time) shall be eligible for -1 adjustment to the initial Project Rank

Number. Developers that have not received MIP funding awards in the past two years shall be eligible for -0.5 adjustment to the initial Project Rank Number.

- iv. **Geographic Distribution Bonus:** Projects located in a City with a population over 1 million that has not received MIP funding in the prior 2 years will be eligible for -1 adjustment to the initial Project Rank Number. Projects located in a City with a population over 500,000 that has not received MIP funding in the prior 2 years will be eligible for -0.5 adjustment to the initial Project Rank Number.

Reason: Amend the 2022 MIP ranking method to address senior management’s directive to 1) maximize use of STCs, 2) maximize unit production, 3) efficiently use CalHFA’s limited MIP funding, 4) expand developer community access and participation in MIP, and 4) address geographic disparity of the program.

- Updated sponsor cap/limit from 2 to 1 deal. Added an exception for potential Emerging Developer partnership with an experience developer and the percentage of ownership requirement (51% of the general/managing/administrative partner(s)). Added definition of Emerging Developer.

Reason: Allow for a more equitable opportunity for all developers, including emerging developers to access MIP funding.

Page 5 - Section: CalHFA Mixed-Income Development Team Qualifications

- Added a disclaimer “In future years, MIP may be awarded using additional factors, including, but not limited to cost containment as measured by change in total development cost (“TDC”) from initial commitment to construction close.

Reason: Socialize that CalHFA may tweak future ranking method based on changes to TDC.

- Updated developer experience to encourage developers who do not meet the minimum requirements to partner with firms that can provide the required expertise and experience, which may include but is not limited to partnering with another development firm and/or third-party financial consultants.

Reason: Allow new less experienced developers access to MIP by partnering with other experienced/experts in the field.

- Update language to track with the current USRM.

Reason: Maintain consistency with USRM.

Page 6 - Section: Permanent First Lien Loan

- Updated language regarding underwriting requirements prior to construction and permanent closing, which must show an on-going minimum DSCR of 1.15x through the term of the CalHFA permanent first lien loan.

Reason: Provide clarity regarding the underwriting minimum DSCR of 1.15x requirement for MIP applicants.

- Added ground lease language to set expectations if the MIP applicant is subject to a ground lease structure.

Reason: Set ground lease requirements and expectations upfront at term sheet level and initial commitment underwriting to mitigate potential issues during final commitment underwriting and construction loan closings.

Page 7 - Section: Mixed-Income Project Occupancy Requirements

- Updated language from requiring 30% of total units be restricted at or below 50% of AMI (with 10% at or below 30% of AMI) to 20% of total units be restricted at or below 50% of AMI. The revised requirement eliminates the 10% of total units at or below 30% of AMI.
Reason: Senior management's recommendation to amend this requirement to align with the original intent of MIP, which is to support a higher AMI band and average.

Page 8 - Section: Mixed-Income Project Occupancy Requirements (continue)

- Revised appraisal/market study language that a report shall be within 90 days of final commitment. In addition, an updated or new report that is within 90 days of MIP closing (at conversion) may be required, at CalHFA's sole discretion.
Reason: Staff recommends to reduce the stale date for appraisal/market study from 180 to 90 days at final commitment to mitigate potential market/rent risk.

Page 8 - Section: Mixed-Income Subordinate Loan Rates & Terms

- Updated MIP interest rate from greater of 1% simple or AFR to 3% simple. A higher simple interest rate may be used at time of MIP closing in the event the true debt test is at risk for tax credit purposes.
Reason: Financing recommends this change to accommodate for the higher expected AFR rate.
- Updated surplus cash split language, which will remain 50/50 to borrower and soft debt lenders. Removed the deviation from the surplus cash split language, which indicates may be granted 1) to meet equity investor's deferred developers' fee requirement as evidence by limited partnership agreement, and 2) is subject to approval(s) by other residual receipt lender(s), as applicable.
Reason: Provide clarity regarding surplus cash split and eliminated language on the specific deviations that was allowed in 2022.
- Removed the subordination language.
Reason: Subordination of MIP at maturity or refinance will be subject to CalHFA's loan documents and applicable future policy and negotiation.

Page 8 - Section: CalHFA Conduit Issuer and Bond Recycling Programs

- Updated section title and added reference to include Bond Recycling Program.
Reason: Promote and encourage deployment of Bond Recycling Program.

Mixed-Income Program (2023)

The California Housing Finance Agency (CalHFA or Agency) Mixed-Income Program (MIP) provides long-term, subordinate subsidy financing for new construction multi-family housing projects restricting units (tax credit or CalHFA) between 30% and 120% of county Area Median Income (AMI).

The MIP subsidy loan (MIP Loan) must be paired with CalHFA's Conduit Bond Issuer Program and CalHFA's Tax-Exempt Permanent Loan Program. CalHFA will work with MIP applicants to assess the benefits of utilizing CalHFA's Bond Recycling Program during the project construction and/or permanent loan periods and may require recycled bonds to be included as a source, subject to availability and project feasibility. Eligible projects must create newly constructed, regulated units that meet the income and occupancy requirements reflected below. Approval of all MIP funding allocations will be subject to the sole discretion of CalHFA.

Mixed-Income Program Subsidy Loan Limits

MIP Loan amount for each project will be based on project need and will be limited to the lesser of the following:

1. \$4 million; or
2. \$50,000 per restricted unit (between 30%-120% AMI). Projects located within the Highest or High Resource areas pursuant to California Tax Credit Allocation Committee (CTCAC) regulations designated on the [CTCAC/HCD Opportunity Area Map](#) shall be eligible for an additional amount up to \$10,000 per MIP regulated unit; or
3. 50% of the permanent loan amount.

Application

MIP applicants must submit a completed application package which includes all items listed on the application, application addendum, and checklist. Incomplete application packages will not be considered. The application and checklist can be found at www.calhfa.ca.gov/multifamily/mixedincome/forms. If the MIP applicant is not able to meet the readiness timeline referenced below, MIP awards may be rescinded.

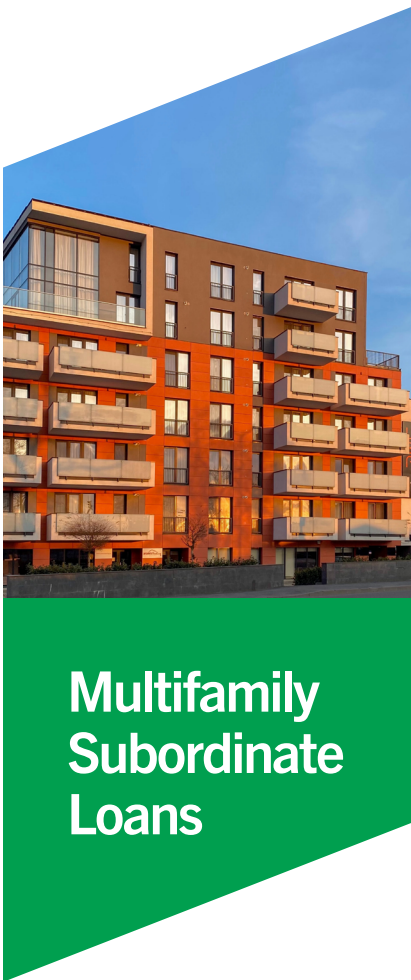
Qualifications

Availability

Available to for-profit, nonprofit, and public agency sponsors. Development teams must meet all the requirements in the Development Team Qualifications section below.

Uses

MIP Loans must be used in conjunction with CalHFA's Conduit Bond Issuer Program and a construction loan from a CalHFA Mixed-Income Qualified Construction Lender (as defined below). MIP Loans must also be used in conjunction with CalHFA's Tax-Exempt Permanent Loan Program. CalHFA will work with MIP applicants to assess the benefits of utilizing CalHFA's Bond Recycling



Multifamily Subordinate Loans



California Housing Finance Agency
500 Capitol Mall Suite 1400, MS-990
Sacramento, CA 95814

Kevin Brown
Housing Finance Officer
(916) 326-8808
kbrown@calhfa.ca.gov

Jennifer Beardwood
Housing Finance Officer
(916) 326-8805
jbeardwood@calhfa.ca.gov

Qualifications: Uses continued

Program during the project construction and/or permanent loan periods and may require recycled bonds to be included as a source, subject to availability and project feasibility.

Financing Structure

Projects accessing the MIP Loans must be structured as both of the following:

1. Tax-exempt bond and 4% tax credit project where at least 51% of the units in the project must be tax-credit financed; and
2. Qualified mixed-income project through income averaging pursuant to Internal Revenue Code Section 42 (g)(1)(C).

Readiness

MIP applicants must have evidence of site control and they must be prepared to submit for an award of tax-exempt bond cap and 4% tax credits from the California Debt Limit Allocation Committee (CDLAC) and CTCAC, respectively. Project applicants will only receive funds if an award of tax-exempt bond cap is issued within the issuance timeframes specified in the CDLAC Regulations Section 5100.

- **Site:** The site must be ready for construction. Any potential environmental issues must have been identified, mitigation plans must be in place, and costs associated with the mitigation plan must be incorporated in the development budget. Environmental issues may include, but are not limited to, receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews. Pursuant to HUD-Risk Sharing requirements, the MIP applicant is expected to start the NEPA process shortly after CalHFA verifies application completeness and determines that the project is ready to move forward with an initial commitment (notification date). The NEPA clearance and HUD's firm approval letter will be required prior to construction loan closing.
- **General Contractor and/or Third-Party Construction Services Engagement:** At the time of application, the MIP applicant must provide evidence that a general contractor or third-party construction services company has been engaged to provide construction services including, but not limited to; value engineering, bid/budget services, and constructability review of plans and designs. The proposed construction budget must be based on the general contractor's or third-party construction services company's preliminary bid estimates pursuant to the current plans and designs.
- **Disposition and Development Agreement:** The MIP applicant must provide a copy of the disposition and development agreement, if applicable.
- **Construction Start:** All projects must commit to begin construction 180 or 194 days from the earlier of the date of the tax-exempt bond allocation or the 4% federal/state tax credit reservation, unless an extension has been approved by CTCAC, CDLAC, and CalHFA, as applicable. Within the 180- or 194-day period (as may be applicable pursuant to CDLAC Regulations Section 5230(i) and CTCAC Regulations Section 10325(c)(7)), the following items must be submitted to CalHFA in their final form:
 - An executed construction contract.

Qualifications: Construction Start continued

- A complete, updated application form with a detailed explanation of any changes, including but not limited to, changes in sources and uses from the initial application.
- Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this).
- Binding commitments for construction and permanent financing, including any sponsor loan and any other financing required to complete project construction.
- Copy of a limited partnership agreement executed by the general partner and the investor limited partner/equity provider.
- An updated CTCAC Attachment 16, if applicable.
- Copies of buildings permits (a grading permit does not suffice to meet this requirement, except if the city or county as a rule does not issue building permits prior to the completion of grading, then a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents.
- Copy of the notice to proceed delivered to the contractor.
- If no construction lender is involved, evidence must be submitted within 180 or 194 days, as applicable, that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred.
- Other documentation and information required by CalHFA to close construction financing.

Evidence Of Cost Containment

A Cost Containment Certification must be provided at the time of Application and Construction Loan Closing, if applicable. The [Cost Containment Certification](#) acceptable to CalHFA may be found on the agency's website.

The MIP applicant must certify that cost containment measures have been implemented to minimize construction costs. These measures should include, but are not limited to:

1. competitively bidding out all major subcontractor and self-performing trades; and
2. engaging a value engineer/consultant during the design process.

Evidence Of Subsidy Efficiency

A Subsidy Efficiency Analysis will be completed as part of the application review at initial commitment. The analysis will be completed again at final commitment, prior to construction loan closing, and closing of the MIP subordinate loan. The MIP Loan amount may be reduced based on the final analysis. Parameters of the analysis may include, but are not limited to, the following:

- A maximum of 1.20x Debt Service Coverage Ratio (DSCR) at year 1 (Initial DSCR). CalHFA may allow an initial DSCR higher than 1.20x on a case-by-case basis, if deemed necessary. The underwriting prior to construction and permanent closing must show an on-going minimum DSCR of 1.15x through the term of the CalHFA permanent first lien loan.

Qualifications: Evidence of Subsidy Efficiency continued

- A project cash flow that supports the residential component of the project based on the required CalHFA permanent first lien annual debt service coverage ratio.
- A separate project cash flow that supports any commercial component of a mixed-use project, if applicable.
- A cash flow after debt service shall be limited to the higher of 25% of the anticipated annual must pay debt service payment or 8% of gross income, during each of the first three years of project operation.
- Inflation factors and vacancy rates consistent with the Agency's Underwriting Standards.
- Developer Fee requirements consistent with CTCAC Regulation Section 10327(c)2(B).
- Capitalized reserves subject to approval by Agency for reasonableness consistent with the Agency's Underwriting Standards and the Investor Limited Partnership Agreement (ILPA).
- Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following:
 - An increase in tax credit equity.
 - An increase in permanent loan debt due to newly obtained financing, a permanent loan rate reduction or adjustments to residential income and operating expense assumptions.
- Construction Cost Savings funds evidenced by final cost certification shall be used to reduce the MIP Loan prior to CalHFA MIP Loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders.
- State tax credits (STC) maximum requested amount shall be consistent with CTCAC Regulations Section 10317. MIP Loan final commitment shall be subject to evidence of project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations within the respective year.
- Acquisition cost shall be the lesser of either:
 1. Purchase price pursuant to a current purchase and sales agreement between unrelated parties; or
 2. Purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs; or
 3. Appraised "as-is" value based on a current appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.

Project Application Ranking Qualifications*

The prioritization of MIP project application(s) shall follow a ranking calculation method described below:

1. **Project Public Benefit and Efficiency:** MIP project applications shall be initially assigned a ranking number based on the highest amount of public benefit per dollar of the total cost-adjusted amounts of the tax-exempt bond allocation requested from CDLAC, plus the state tax credit allocation requested from CTCAC consistent with CDLAC Regulation Section 5231(g)(1) and 5231(g)(2) (Project Rank Number). Next, the Project Rank Number may be adjusted pursuant the below bonus factors, subject to eligibility:

- **MIP Efficiency Bonus:** The total requested MIP amount as a percentage of the eligible maximum MIP per unit shall be eligible for an adjustment to the original Project Rank Number based on a sliding scale per the below chart:

MIP as % of Eligible Maximum Per Unit	Adjustment
<20%	-0.500
20-40%	-0.375
41-60%	-0.250
61%-80%	-0.125
>80%	0.000

- **STC and Soft Funds Leveraging Bonus:** The total requested STC amount and total permissible soft funds (refer to limitations section) as a percentage of the maximum STC shall be eligible for an adjustment to the original Project Rank Number based on a sliding scale per the below chart:

STC as % of Eligible Maximum Per Unit	Adjustment
>80%	-0.500
61%-80%	-0.375
41-60%	-0.250
20-40%	-0.125
<20%	0.000

- **New Developer Bonus:** Developers that are new to MIP (requesting MIP funding for the first time) shall be eligible for -1 adjustment to the initial Project Rank Number. Developers that have not received MIP funding awards in the past two years shall be eligible for -0.5 adjustment to the initial Project Rank Number.
- **Geographic Distribution Bonus:** Projects located in a city with a population over 1 million, that has not received MIP funding in the prior two years, will be eligible for -1 adjustment to the initial Project Rank Number. Projects located in a city with a population over 500,000, and up to 1 million, that has not received MIP funding in the prior two years, will be eligible for -0.5 adjustment to the initial Project Rank Number.

Additionally, Application Ranking and Selection will be subject to the following criteria:

2. **Project Cap:** Per Project MIP funds available will be equal to the lesser of the following:
 - a. Maximum MIP Loan Amount of \$4 million per Project application.
 - b. Maximum of \$50,000 per MIP regulated unit for Projects located in Moderate, Low, or Lowest Resource Areas.
 - c. Maximum of \$60,000 per MIP regulated unit for Projects located in High or Highest Resource Areas.¹
 - d. Maximum MIP Loan Amount may be no more than 50% of the CalHFA Permanent Loan.

1. *Determination of resources Area Type shall be pursuant to CTCAC regulation designated on the CTCAC/HCD Opportunity Area Map.*

3. **Sponsor Cap:** No Sponsor (any individual, entity, affiliate and/or related/affiliated entity) may receive an allocation of MIP funds for more than one Project application. Sponsor shall be defined as any individual, entity, affiliate and/or related entities that has 51% or more in the general, managing, and/or administrative partnership of the MIP applicant. An exception to the Sponsor Cap limit may be considered for any Sponsor that partners with an Emerging Developer to submit a MIP project application so long as the Emerging Developer has a 51% ownership interest in the general, managing, and/or administrative partnership entity of the MIP applicant. Emerging Developer will be defined as any Sponsor which cannot independently meet the MIP Developer/Co-Developer/General Partner qualifications as outlined below.
4. **County Cap:** No county may receive more than 25% of total MIP allocations for the respective year.
5. **Age-Restricted Cap:** No more than 25% of total MIP funds for the respective year may be received by age-restricted Project Applications (units that are restricted to residents who are 55 years of age or older under the applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act).

* *In future years, MIP may be awarded using additional factors, including, but not limited to cost containment as measured by change in total development cost from initial commitment to construction close.*

CalHFA Mixed-Income Qualified Construction Lender

A CalHFA Mixed-Income Qualified Construction Lender is defined as a Construction Lender that has closed at least five construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three years and satisfies the requirements set forth within the application.

CalHFA Mixed-Income Development Team Qualifications

- The **Developer/Co-Developer/General Partner** must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer/General Partner must have developed at least three comparable projects within the past five years or meet the requirements necessary to receive a minimum of seven points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f). Developers who do not meet these requirements are encouraged to partner with firms that can provide the required expertise and experience, which may include but is not limited to partnering with another development firm and/or third-party financial consultants.
- The proposed **Project Manager** must have personally managed the development of at least two comparable projects within the past five years.
- **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three comparably-financed projects over the last five years.
- **Architects** new to CalHFA must provide information for three comparable projects they designed that were built and occupied within the past five years in California.
- **General Contractor** (GC) must be licensed by the State of California. GCs new to CalHFA must provide information related to three comparable (in design) projects built in the past five years. The GC must provide resumes of the principals, key staff, and the proposed on-site construction supervisor and provide evidence that they are familiar with federal, state, and locality building code requirements for comparable projects.
- **Tax Credit Investors** must have closed/executed at least five investor limited partnership agreements for a comparable deal structure using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three years.
- **Management Company** must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least 10 low- to moderate-income, rent-restricted comparable (size and tenant types) projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five years managing onsite project operations and compliance with rent-restricted units or meet the requirements necessary to receive a minimum of three points under the CDLAC Management Company Experience category pursuant to CDLAC Regulations Section 5230(f).

Permanent First Lien Loan

All project applications receiving an allocation of MIP funds must utilize CalHFA's Permanent Loan Program which includes the requirement that the underwriting prior to construction and permanent loan closing shows a minimum 1.15x initial debt service coverage ratio (including any financing with amortizing debt) for the term of the permanent loan. CalHFA may require the initial DSCR to be higher than the minimum 1.15x if deemed necessary to meet the Agency's underwriting requirements. The initial DSCR must not exceed 1.20x.

Any project application that contemplates a ground lease must accommodate CalHFA's requirement that the first lien permanent loan shall be secured against both the fee and leasehold interests in the Property. The ground lease term must exceed any CalHFA subsidy or permanent loan term(s) by 10 years or more. The term of the ground lease must be equal to or longer than the term of the CalHFA Regulatory Agreement(s).

Construction First Lien Loan

Must be provided by a CalHFA Mixed-Income Qualified Construction Lender. All parties shall permit the Agency to recycle all or a portion of any bond volume cap related to a paydown of the bond-financed loans, at the conversion of the construction financing to permanent financing and payoff of the construction loan, pursuant to the authority provided in Section 146(i)(6) of the Internal Revenue Code of 1986 and CDLAC Regulation Section 5060 (Bond Recycling). The bond documents, loan documents and any other documents related to the financing of the Development shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.

Limitations

- MIP cannot be combined with the CTCAC 9% program.
- MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits) except the Infill Infrastructure Grant (IIG), Affordable Housing and Sustainable Communities (AHSC) and Transit Oriented Development (TOD) housing programs. Inclusion of these programs is contingent upon restrictions that are compatible with the MIP program requirements outlined herein.
- Inclusion of other debt and subsidy may be considered on a case-by-case basis in CalHFA's sole discretion so long as any restrictions of subordinate debt or subsidy are compatible with MIP program requirements outlined herein.
- Projects that have a below market rate component resulting from an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's subsidy resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.)
- At the time of MIP application, a project must not have already received an allocation of 4% federal and/or state tax credits from CTCAC or a tax-exempt bond allocation from CDLAC.
- Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.

Mixed-Income Project Occupancy Requirements

Bond Regulatory Agreement Requirements (All Projects)

Must maintain either:

- a. 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size (20% @ 50% AMI); or
- b. 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size (40% @ 60% AMI): in the latter case, CDLAC and CalHFA requires a minimum of 10% of the unit types must be at 50% or less of AMI (i.e., 30% @ 60% AMI; 10% @ 50% AMI).

Mixed Income Regulatory Agreement Requirements (All Projects)

To qualify, a project must meet the following affordability restrictions, which are based on the HUD and locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years:

- 20% of total units at or below 50% of AMI; and
- 10% of total units between 60% and 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below; and
- Remaining units at or below 120% of AMI (with the exception of any non-restricted manager's unit(s)) OR at the affordability restrictions consistent with CTCAC requirements; and
- The minimum range between the lowest and highest occupancy target levels must be at least 40%.

(Deviations from the above requirements will only be considered if a current market study and/or appraisal report(s) support such deviations.)

The maximum average affordability is up to 60% of AMI across all CTCAC restricted units.

Maximum Allowable Rents

Rents for all restricted units must be underwritten at the lesser of either:

1. The CTCAC or locality maximum rents (whichever is applicable) based on the target occupancy; or
2. 10% below market rents, as evidenced by a current market study and/or appraisal, for the MIP affordability term.

This threshold will be analyzed at time of application and again at CalHFA's final commitment approval and may be monitored on an ongoing basis for the MIP affordability term. The report shall be current within 90 days of Agency's final commitment and may be subject to a new or updated report if the appraisal was completed more than 90 days prior to construction and/or permanent loan closing, in the Agency's sole discretion.

Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents not to exceed 30% of the applicable income restriction (target occupancy) required in the Agency's Regulatory Agreement.

Mixed-Income Subordinate Loan Rates & Terms

- **Interest Rate:** 3% simple interest. A higher simple interest rate may be used at time of MIP closing in the event the true debt test is at risk for tax credit purposes.
- **Loan Term:** The MIP Loan term shall be coterminous with the CalHFA permanent first lien loan and is due upon prepayment of the CalHFA permanent first lien loan.
- **Lien Position:** MIP Loan shall be in second lien position, after the CalHFA permanent first lien loan.
- **Loan Payment:** “Surplus cash” is determined as net operating income minus total debt service and other Agency approved payments. Surplus cash distributions shall permit 50% to Borrower and 50% shall be paid pro rata as “Residual Receipts” between CalHFA and other governmental residual receipt lenders. Payments shall be applied to the current and/or accrued interest and then principal of the MIP Loan.
- **Affordability Term:** 55 years.
- **Prepayment:** The MIP Loan may be prepaid at any time without penalty.
- **Funded:** Only at permanent loan conversion.

CalHFA Conduit Issuer & Bond Recycling Programs *(subject to change)*

For more information on conduit issuer and bond recycling rates and terms, refer to CalHFA's [Conduit Issuer Program](#) and [Bond Recycling Program](#) term sheets.

CalHFA Permanent First Lien Rates & Terms *(subject to change)*

For more information on permanent first lien rates and terms, refer to [CalHFA's Tax-Exempt Permanent Loan Program Term Sheet](#).

Fees *(subject to change)*

- **Loan Fee:** 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP Loan closing).
- **Conduit Issuer Program Fees:** Refer to CalHFA Conduit Issuer Program Term Sheet.
- **CDLAC Fees:** Refer to CDLAC regulations for all applicable fees.
- **Other Fees:** Refer to CalHFA Tax-Exempt Permanent Loan Program term sheet for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. ■

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. The California Housing Finance Agency does not discriminate on any prohibited basis in employment or in the admission and access to its programs or activities. Not printed at taxpayer expense.

State of California

MEMORANDUM

To: Board of Directors

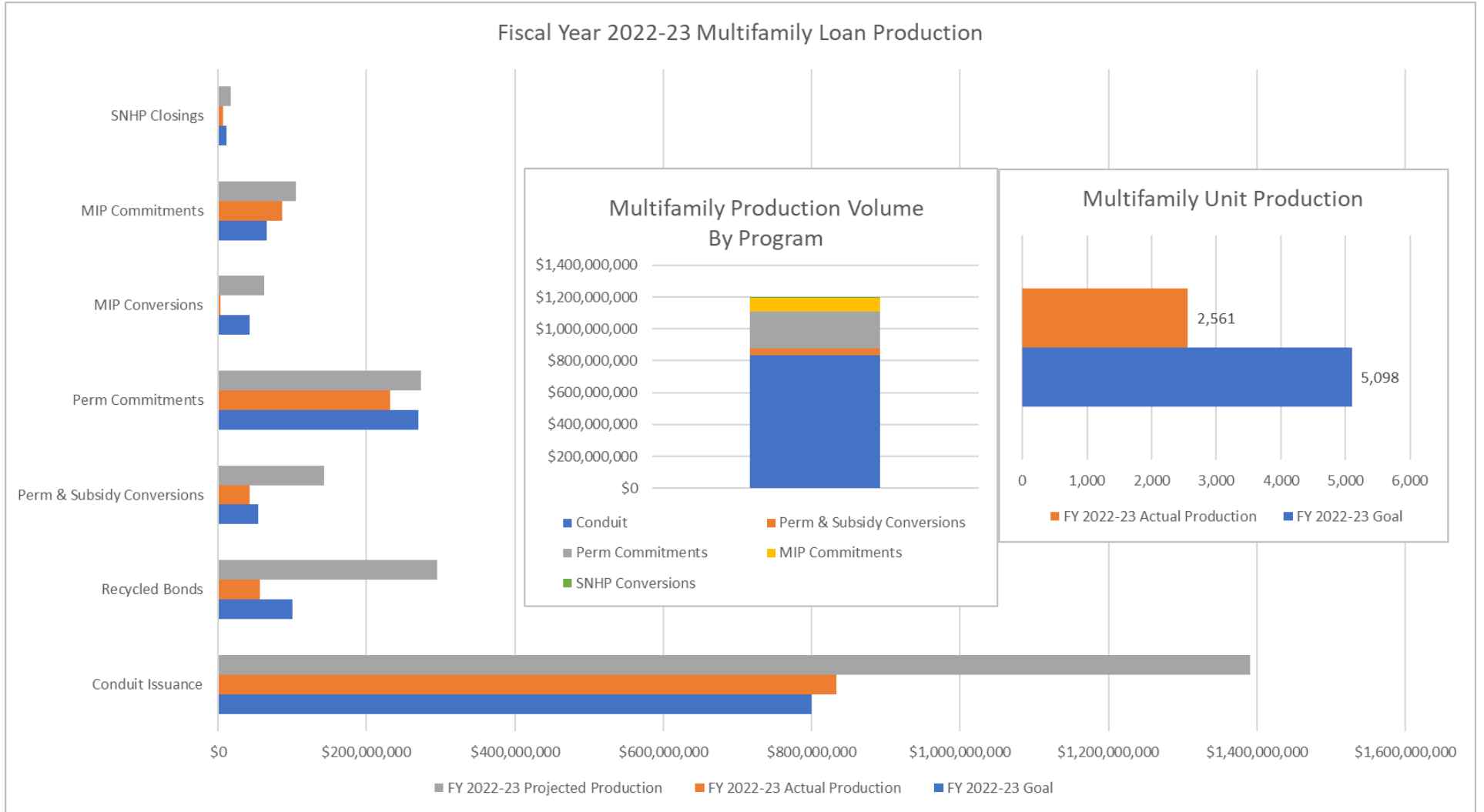
Date: March 7, 2023

From: Kate Ferguson, Director of Multifamily
CALIFORNIA HOUSING FINANCE AGENCY

Subject: UPDATE ON MULTIFAMILY LOAN PRODUCTION

CalHFA offers a variety of loan programs with competitive rates and long-term financing to advance the creation and preservation of affordable housing for people who truly need it. CalHFA's Taxable, Tax-Exempt, and/or CalHFA funded Permanent Loan programs provide competitive long-term financing for affordable multifamily rental housing projects. The CalHFA Mixed-Income Program provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units between 30% and 120% of county Area Median Income. The CalHFA Conduit Issuer Program is designed to facilitate both for-profit and non-profit developers in accessing tax-exempt and taxable bonds for the financing of family and senior affordable and mixed-income housing developments. The goals of the programs are to increase and preserve the supply of affordable rental housing, maintain a quality living environment, leverage private sector funds to the greatest extent possible, and to cooperate with local jurisdictions to advance affordable housing goals.

Multifamily Loan Volume as of January 31, 2023



	Conduit Issuance	Recycled Bonds	Perm & Subsidy Conversions	Perm Commitments	MIP Conversions	MIP Commitments	SNHP Closings	Total All Programs
FY 2022-23 Goal	\$800,000,000	\$100,000,000	\$54,114,902	\$270,000,000	\$42,435,968	\$65,000,000	\$11,368,956	\$1,342,919,826
FY 2022-23 Actual Production	\$833,714,504	\$56,500,000	\$42,086,617	\$232,323,388	\$3,350,000	\$86,394,663	\$6,456,741	\$1,260,825,913
FY 2022-23 Projected Production	\$1,390,884,204	\$295,345,156	\$143,374,548	\$272,987,977	\$61,720,000	\$104,995,300	\$16,978,032	\$2,286,285,217
Percent of Goal Complete	104%	57%	78%	86%	8%	133%	57%	94%

FY 2022-23 Conduit Issuance as of January 31, 2023

<i>Multifamily Conduit Transactions</i>									
<i>(Closed)</i>									
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
1 Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Family/Individual	7/8/2022	0	\$36,000,000.00	-	-	\$ 36,000,000.00
2 Anton Mosaic	Conduit - MIP & Perm	Sacramento	Family/Individual	11/14/2022	0	\$ 35,226,614.00	\$ 13,765,000.00	-	\$ 48,991,614.00
3 West La Va - Bulding 404	Conduit - Reg Only	Los Angeles	Veterans	11/16/2022	73	\$ 23,286,160.00	\$ 12,947,757.00	-	\$ 36,233,917.00
4 MacArthur Field A	Conduit - Reg Only	Los Angeles	Homeless, Special Needs	12/8/2022	75	\$ 21,000,000.00	\$ 13,500,000.00	-	\$ 34,500,000.00
5 Serra Apartments	Conduit - MIP & Perm	Fremont	Family/Individual	12/15/2022	0	\$ 46,650,000.00	\$ 23,460,747.00	-	\$ 70,110,747.00
6 Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	Family/Individual	12/16/2022	0	\$ 18,606,511.00	\$ 6,555,580.00	-	\$ 25,162,091.00
7 Mainline North	Conduit - MIP & Perm	Santa Clara	Family/Individual	12/16/2022	0	\$ 42,500,000.00	-	-	\$ 42,500,000.00
8 8181 Allison	Conduit - MIP & Perm	La Mesa	Family/Individual	12/16/2022	0	\$ 31,875,000.00	\$ 10,900,000.00	-	\$ 42,775,000.00
9 Residency at the Empire I	Conduit - Reg Only	Burbank	Family/Individual	12/16/2022	148	\$ 61,000,000.00	\$ 9,404,500.00	\$ 18,000,000.00	\$ 88,404,500.00
10 Shiloh Crossing	Conduit - MIP & Perm	Windsor	Family/Individual	12/21/2022	0	\$ 42,225,000.00	\$ 20,485,000.00	\$ 10,000,000.00	\$ 72,710,000.00
11 Fiddymnt Apartments	Conduit - MIP & Perm	Roseville	Family/Individual	12/22/2022	0	\$ 63,000,000.00	\$ 38,596,917.00	-	\$ 101,596,917.00
12 Monroe Street Apartments	Conduit - MIP & Perm	Santa Clara	Family/Individual, Special Needs	12/22/2022	0	\$ 2,200,000.00	-	-	\$ 2,200,000.00
13 West Carson	Conduit - Reg Only	Torrance	Family/Individual	12/22/2022	230	\$ 62,000,000.00	\$ 26,300,000.00	\$ 23,500,000.00	\$ 111,800,000.00
14 The Monarch at Chinatown	Conduit - PTO	Fresno	Family/Individual	12/23/2022	0	\$ 762,877.00	-	-	\$ 762,877.00
15 La Vista Residential	Conduit - MIP & Perm	Hayward	Family/Individual	12/27/2022	0	\$ 52,000,000.00	\$ 26,791,301.00	\$ 5,000,000.00	\$ 83,791,301.00
16 515 Pioneer	Conduit - MIP & Perm	Glendale	Family/Individual	12/29/2022	0	\$ 82,467,538.00	\$ 9,177,478.00	-	\$ 91,645,016.00
17 1322 O Street	Conduit - Reg Only	Sacramento	Family/Senior	12/29/2022	0	\$ 1,030,524.00	-	-	\$ 1,030,524.00
					526	\$621,830,224.00	\$ 211,884,280.00	\$ 56,500,000.00	\$ 890,214,504.00
<i>Multifamily Conduit (Projected Closings) - FY 22-23</i>									
<i>Q3 - 01/01/2023 - 03/31/2023</i>									
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
Alves Lane Apartments	Conduit - MIP & Perm	Bay Point	Family/Individual	2/22/2023	0	\$ 33,407,500.00	\$ 11,800,000.00	\$ 11,500,000.00	\$ 56,707,500.00
California Grand Manor	Conduit - MIP & Perm	Atascadero	Senior	2/28/2023	0	\$ 19,766,062.00	\$ 1,220,316.00	-	\$ 20,986,378.00
Residency at the Entrepreneur Hollywood	Conduit - Reg Only	Los Angeles	Homeless, Senior	2/28/2023	0	\$ 5,000,000.00	-	-	\$ 5,000,000.00
Mirasol Village Block D	Conduit - MIP & Perm	Sacramento	Family/Individual	3/1/2023	0	\$ 35,331,000.00	\$ 8,250,000.00	-	\$ 43,581,000.00
Sunnydale HOPE SF Block 3B	Conduit - Reg Only	San Francisco	Family/Individual	3/9/2023	90	-	-	\$ 22,856,000.00	\$ 22,856,000.00
Vose	Conduit - Reg Only	Van Nuys	Family/Individual	3/15/2023	332	-	-	\$ 135,400,000.00	\$ 135,400,000.00
Farmdale	Conduit - Reg Only	North Hollywood	Family/Individual	3/15/2023	26	-	-	\$ 13,000,000.00	\$ 13,000,000.00
College Creek Apartments	Conduit - MIP & Perm	Santa Rosa	Family/Individual	3/20/2023	0	\$ 2,650,000.00	-	-	\$ 2,650,000.00
Crocker Umeya Apartments	Conduit - Reg Only	Los Angeles	Family/Individual, Special Needs	3/30/2023	175	\$ 80,609,972.00	-	-	\$ 80,609,972.00
Village at Hanford Square	Conduit - Reg Only	Hanford	Family/Individual	3/31/2023	100	-	-	\$ 20,000,000.00	\$ 20,000,000.00
					723	\$ 176,764,534.00	\$ 21,270,316.00	\$ 202,756,000.00	\$ 400,790,850.00
<i>Multifamily Conduit (Projected Closings) - FY 22-23</i>									
<i>Q4 - 04/01/2023 - 06/30/2023</i>									
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
East End Village	Conduit - Reg Only	Pomona	Family/Individual	4/3/2023	90	\$ 57,500,000.00	-	-	\$ 57,500,000.00
5626 Naranja	Conduit - Reg Only	San Diego	Family/Individual	5/16/2023	138	\$ 26,500,000.00	\$ 3,000,000.00	\$ 14,000,000.00	\$ 43,500,000.00
Beacon Villa	Conduit - MIP & Perm	Pittsburg	Family/Individual	5/29/2023	0	\$ 2,200,000.00	-	-	\$ 2,200,000.00
Taormina	Conduit - Reg Only	San Diego	Family/Individual	6/5/2023	136	\$ 42,700,000.00	-	\$ 11,646,388.00	\$ 54,346,388.00
Modica	Conduit - Reg Only	San Diego	Family/Individual, Special Needs	6/5/2023	94	\$ 29,200,000.00	-	\$ 10,442,768.00	\$ 39,642,768.00
					458	\$ 158,100,000.00	\$ 3,000,000.00	\$ 36,089,156.00	\$ 197,189,156.00

Note: Projects with '0' as the unit count had their units included with another CalHFA program's unit total.

Total Conduit Issuance Closed: \$890,214,504

FY 2022-23 Permanent & Subsidy Loan Conversions as of January 31, 2023

<i>Multifamily Permanent & Subsidy Transactions</i>									
<i>(Closed)</i>									
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
1	Reedley Village	Perm	Reedley	Family/Individual	8/30/2022	32	\$ 1,050,000.00	\$ 640,000.00	\$ 1,690,000.00
2	Bernal Dwellings	Conduit - PTO	San Francisco	Family/Individual	9/23/2022	160	\$ 21,780,000.00	\$ 3,500,000.00	\$ 25,280,000.00
3	Peterson Place	Conduit - MIP & Perm	Folsom	Family/Individual	10/21/2022	72	\$ 7,875,000.00	-	\$ 7,875,000.00
4	Blackstone McKinley TOD	Conduit - PTO	Fresno	Family/Individual	11/14/2022	88	\$ 3,305,000.00	\$ 1,760,000.00	\$ 5,065,000.00
5	Linnaea Villas	Perm	Kingsburg	Senior, Veterans	1/31/2023	47	\$ 1,500,000.00	\$ 676,617.00	\$ 2,176,617.00
						352	\$ 35,510,000.00	\$ 6,576,617.00	\$ 42,086,617.00
<i>Multifamily Permanent & Subsidy (Projected Closings) - FY 22-23</i>									
<i>Q3 - 01/01/2023 - 03/31/2023</i>									
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
	Frishman Hollow II	Conduit - MIP & Perm	Truckee	Family/Individual	2/3/2023	68	\$ 7,072,700.00	-	\$ 7,072,700.00
	Iamesi Village	Conduit - PTO	San Jose	Family/Individual, Special Needs	2/24/2023	135	\$ 17,655,000.00	-	\$ 17,655,000.00
	Fitch Mountain Terrace II	Perm-Refi	Healdsburg	Senior	3/1/2023	20	\$ 1,150,000.00	-	\$ 1,150,000.00
	Springs Village	Perm-Refi	Sonoma	Family/Individual	3/1/2023	80	\$ 3,900,000.00	-	\$ 3,900,000.00
	West Avenue	Perm-Refi	Santa Rosa	Family/Individual	3/1/2023	40	\$ 1,980,000.00	-	\$ 1,980,000.00
	The Monarch at Chinatown	Conduit - PTO	Fresno	Family/Individual	3/15/2023	57	\$ 1,885,000.00	\$ 775,000.00	\$ 2,660,000.00
	Hayes Valley South	Conduit - PTO	San Francisco	Family/Individual	3/16/2023	110	\$ 25,475,329.00	\$ 3,500,000.00	\$ 28,975,329.00
	Cedar Grove Apartments	Conduit - MIP & Perm	Santa Rosa	Family/Individual	3/17/2023	96	\$ 15,000,000.00	-	\$ 15,000,000.00
						606	\$ 74,118,029.00	\$ 4,275,000.00	\$ 78,393,029.00
<i>Multifamily Permanent & Subsidy (Projected Closings) - FY 22-23</i>									
<i>Q4 - 04/01/2023 - 06/30/2023</i>									
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
	Brand Haven Senior Apartments	Conduit - MIP & Perm	Fresno	Senior	4/13/2023	180	\$ 10,459,902.00	-	\$ 10,459,902.00
	Arden Way Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	5/31/2023	120	\$ 12,435,000.00	-	\$ 12,435,000.00
						300	\$ 22,894,902.00	\$ -	\$ 22,894,902.00

Note: Units associated with Permanent & Subsidy Conversion projects that appear in **Bold** text are counted in FY 2022-23 production. Otherwise, the units for the Permanent & Subsidy loan conversions were counted in previous fiscal years.

Total Permanent & Subsidy Loan Conversions Closed: \$42,086,617

FY 2022-23 Permanent & Subsidy Loan Commitments as of January 31, 2023

<i>Multifamily Permanent & Subsidy Transactions</i>									
<i>(Closed)</i>									
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
1	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Family/Individual	7/8/2022	0	\$ 15,910,000.00	-	\$ 15,910,000.00
2	Anton Mosaic	Conduit - MIP & Perm	Sacramento	Family/Individual	11/14/2022	0	\$ 23,201,000.00	-	\$ 23,201,000.00
3	Serra Apartments	Conduit - MIP & Perm	Fremont	Family/Individual	12/15/2022	0	\$ 27,179,522.00	-	\$ 27,179,522.00
4	Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	Family/Individual	12/16/2022	0	\$ 6,364,866.00	-	\$ 6,364,866.00
5	Mainline North	Conduit - MIP & Perm	Santa Clara	Family/Individual	12/16/2022	0	\$ 24,695,000.00	-	\$ 24,695,000.00
6	8181 Allison	Conduit - MIP & Perm	La Mesa	Family/Individual	12/16/2022	0	\$ 20,685,000.00	-	\$ 20,685,000.00
7	Shiloh Crossing	Conduit - MIP & Perm	Windsor	Family/Individual	12/21/2022	0	\$ 21,696,000.00	-	\$ 21,696,000.00
8	Fiddymment Apartments	Conduit - MIP & Perm	Roseville	Family/Individual	12/22/2022	0	\$ 37,400,000.00	-	\$ 37,400,000.00
9	La Vista Residential	Conduit - MIP & Perm	Hayward	Family/Individual	12/27/2022	0	\$ 24,300,000.00	-	\$ 24,300,000.00
10	515 Pioneer	Conduit - MIP & Perm	Glendale	Family/Individual	12/29/2022	0	\$ 30,892,000.00	-	\$ 30,892,000.00
						0	\$ 232,323,388.00	\$ -	\$ 232,323,388.00
<i>Multifamily Permanent & Subsidy (Commitments) - FY 22-23</i>									
<i>Q3 - 01/01/2023 - 03/31/2023</i>									
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
	Alves Lane Apartments	Conduit - MIP & Perm	Bay Point	Family/Individual	2/22/2023	0	\$ 20,351,000.00	-	\$ 20,351,000.00
	California Grand Manor	Conduit - MIP & Perm	Atascadero	Senior	2/28/2023	0	\$ 6,183,589.00	-	\$ 6,183,589.00
	Mirasol Village Block D	Conduit - MIP & Perm	Sacramento	Family/Individual	3/1/2023	0	\$ 14,130,000.00	-	\$ 14,130,000.00
						0	\$ 40,664,589.00	\$ -	\$ 40,664,589.00

Note: Projects with '0' as the unit count had their units included with another CalHFA program's unit total.

Total Permanent & Subsidy Loan Commitments Closed: \$232,323,388

FY 2022-23 Mixed Income Program Loan Conversions as of January 31, 2023

<i>Mixed Income Program Transactions</i>							
<i>(Closed)</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	MIP Loan
1	Peterson Place	Conduit - MIP & Perm	Folsom	Family/Individual	10/21/2022	72	\$ 3,350,000.00
						72	\$ 3,350,000.00
<i>Mixed Income Program Transactions (Projected Closings) - FY 22-23:</i>							
<i>Q3 - 01/01/2023 - 03/31/2023</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	MIP Loan
	Frishman Hollow II	Conduit - MIP & Perm	Truckee	Family/Individual	2/3/2023	68	\$ 4,060,000.00
	Cedar Grove Apartments	Conduit - MIP & Perm	Santa Rosa	Family/Individual	3/17/2023	96	\$ 4,750,000.00
						164	\$ 8,810,000.00
<i>Mixed Income Program Transactions (Projected Closings) - FY 22-23:</i>							
<i>Q4 - 04/01/2023 - 06/30/2023</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	MIP Loan
	Twin Oaks Senior Apartments	Conduit - MIP	Oakley	Senior	4/3/2023	130	\$ 5,160,000.00
	Valencia Pointe	Conduit - MIP	San Diego	Family/Individual	4/12/2023	102	\$ 4,040,000.00
	Brand Haven Senior Apartments	Conduit - MIP & Perm	Fresno	Senior	4/13/2023	180	\$ 4,500,000.00
	Courtyards at Kimball	Conduit - MIP	National City	Family/Individual	5/1/2023	131	\$ 6,500,000.00
	1717 S Street	Conduit - MIP	Sacramento	Family/Individual	5/1/2023	159	\$ 7,900,000.00
	Arden Way Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	5/31/2023	120	\$ 7,610,000.00
	Glen Loma Ranch	Conduit - MIP	Gilroy	Family/Senior	6/1/2023	158	\$ 7,850,000.00
	Antioch Senior & Family Apartments	Conduit - MIP	Antioch	Family/Senior	6/30/2023	394	\$ 6,000,000.00
						1,374	\$49,560,000.00

Total Mixed Income Loan Conversions Closed: \$3,350,000

FY 2022-23 Mixed Income Program Loan Commitments as of January 31, 2023

Mixed Income Program Transactions							
<i>(Closed)</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	MIP Loan
1	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Family/Individual	7/8/2022	115	\$ 4,600,000.00
2	Anton Mosaic	Conduit - MIP & Perm	Sacramento	Family/Individual	11/14/2022	194	\$12,154,205.00
3	Serra Apartments	Conduit - MIP & Perm	Fremont	Family/Individual	12/15/2022	179	\$10,173,471.00
4	Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	Family/Individual	12/16/2022	120	\$ 3,450,000.00
5	Mainline North	Conduit - MIP & Perm	Santa Clara	Family/Individual	12/16/2022	151	\$ 7,025,000.00
6	8181 Allison	Conduit - MIP & Perm	La Mesa	Family/Individual	12/16/2022	147	\$ 7,076,000.00
7	Shiloh Crossing	Conduit - MIP & Perm	Windsor	Family/Individual	12/21/2022	173	\$15,442,362.00
8	Fiddymment Apartments	Conduit - MIP & Perm	Roseville	Family/Individual	12/22/2022	330	\$ 8,000,000.00
9	La Vista Residential	Conduit - MIP & Perm	Hayward	Family/Individual	12/27/2022	176	\$ 8,270,000.00
10	515 Pioneer	Conduit - MIP & Perm	Glendale	Family/Individual	12/29/2022	340	\$10,203,625.00
						1,925	\$86,394,663.00
Mixed Income Program (Commitments) - FY 22-23:							
Q3 - 01/01/2023 - 03/31/2023							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	MIP Loan
	Alves Lane Apartments	Conduit - MIP & Perm	Bay Point	Family/Individual	2/22/2023	100	\$ 7,360,403.00
	California Grand Manor	Conduit - MIP & Perm	Atascadero	Senior	2/28/2023	76	\$ 5,440,234.00
	Mirasol Village Block D	Conduit - MIP & Perm	Sacramento	Family/Individual	3/1/2023	116	\$ 5,800,000.00
						292	\$18,600,637.00

Total Mixed Income Loan Commitments Closed: \$86,394,663

Please visit <https://www.calhfa.ca.gov/multifamily/mixedincome/approved/index.htm> to see the complete list of approved MIP projects.

FY 2022-23 Special Needs Housing Program Loan Conversions as of January 31, 2023

<i>Multifamily Special Needs Housing Program Transactions</i>							
<i>(Closed)</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	SNHP Loan
1	Post 310	SNHP/MHSA	San Diego	Family/Individual, Special Needs	8/5/2022	43	\$ 1,500,000.00
2	Villa St. Joseph	SNHP/MHSA	Orange	Senior, Special Needs	12/29/2022	50	\$ 3,696,893.00
3	FX Residence	SNHP/MHSA	Santa Ana	Family/Individual, Special Needs	1/2/2023	17	\$ 1,259,848.00
						<u>110</u>	<u>\$ 6,456,741.00</u>
<i>Multifamily Special Needs Housing Program (Projected Closings) FY 22-23</i>							
<i>Q3 - 01/01/2023 - 03/31/2023</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	SNHP Loan
	Rose Apartments	SNHP/MHSA	Venice	Family/Individual, Special Needs	2/1/2023	35	\$ 3,237,622.00
	McCadden Plaza Youth Housing	SNHP/MHSA	Los Angeles	Special Needs/ TAY	2/10/2023	26	\$ 560,000.00
	Desert Haven	SNHP/MHSA	Victorville	Family/Individual, Homeless, Special Needs	2/28/2023	32	\$ 2,173,669.00
	McCadden Campus Senior Housing	SNHP/MHSA	Los Angeles	Senior, Special Needs	3/1/2023	98	\$ 1,000,000.00
	Huntington Square	SNHP/MHSA	Huntington Park	Special Needs/ TAY	3/1/2023	54	\$ 2,000,000.00
	Liberty Lane	SNHP/MHSA	Redlands	Family/Individual, Special Needs	3/20/2023	80	\$ 1,050,000.00
						<u>325</u>	<u>\$ 10,021,291.00</u>
<i>Multifamily Special Needs Housing Program (Projected Closings) FY 22-23</i>							
<i>Q4 - 04/01/2023 - 06/30/2023</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	SNHP Loan
	FLOR 401 Lofts	SNHP/MHSA	Los Angeles	Family/Individual, Homeless, Special Needs	5/3/2023	99	\$ 500,000.00
						<u>99</u>	<u>\$ 500,000.00</u>

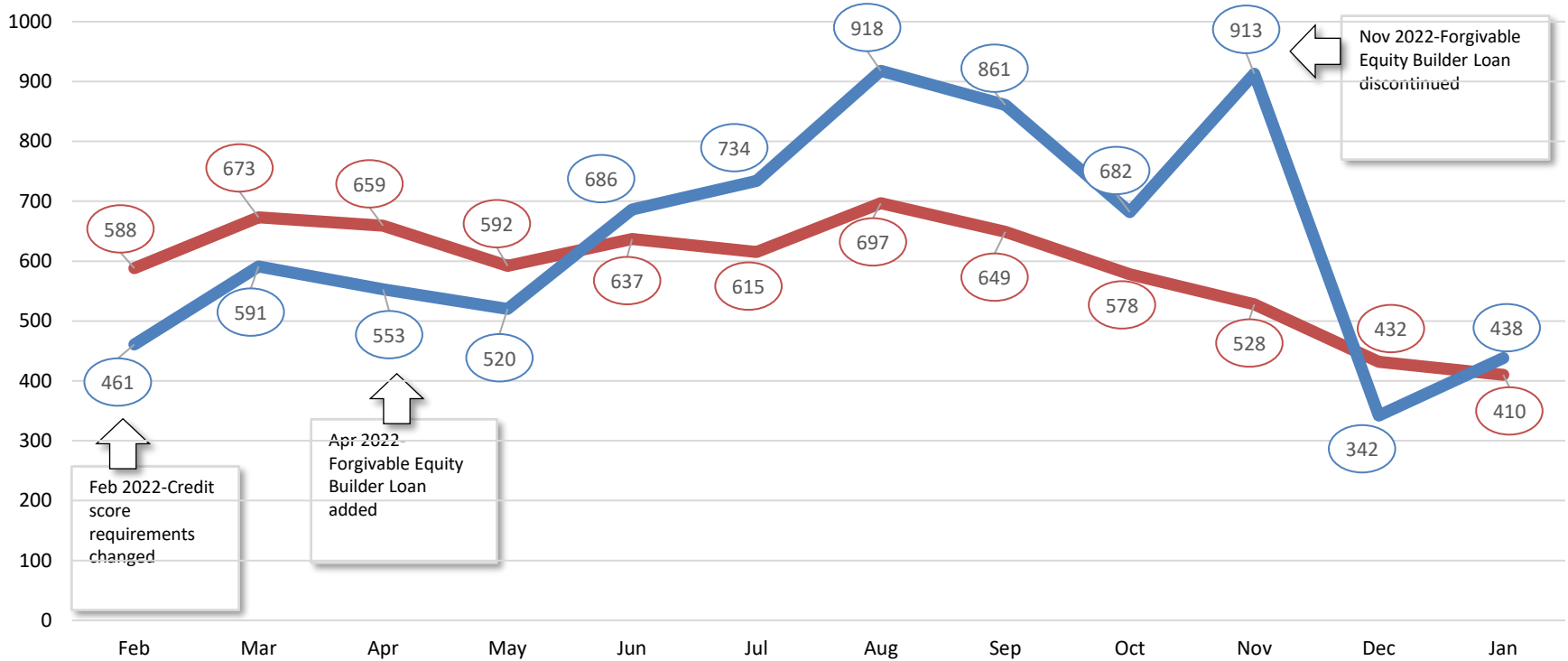
Total Special Needs Housing Program Loan Conversions Closed: \$6,456,741

Single Family Reports

Month ending January 2023

March 7, 2023

TOTAL RESERVATIONS

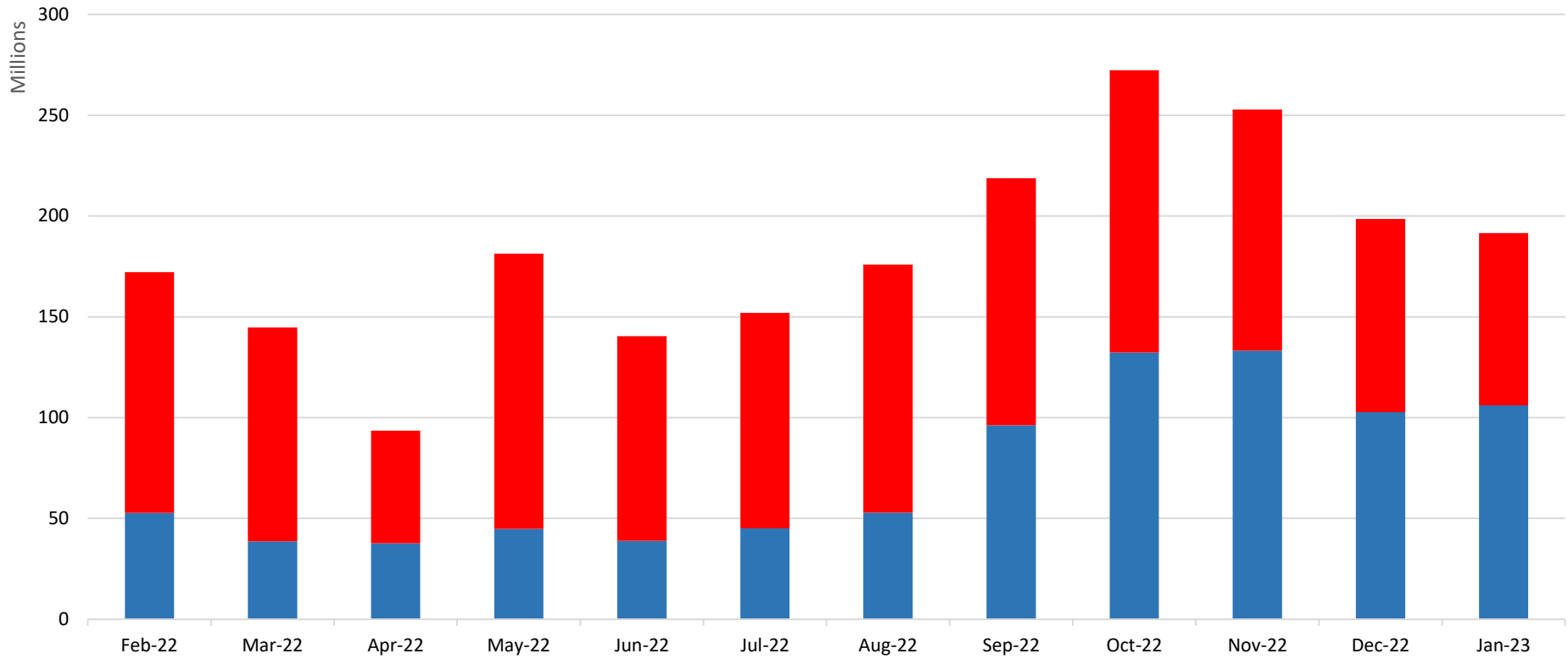


FY 2022/23 Totals:		
Conventional	2403	50%
FHA	2415	50%
	4818	

Totals:
February 2021 - January 2022 = 7058
February 2022 - January 2023 = 7699

— 1st Mtg. Reservations February 2021 - January 2022
 — 1st Mtg. Reservations February 2022 - January 2023

February-2022 - January-2023 Securitized



FY 2022/23 Totals

Government (53%)

FHA with ZIP	757	280,961,145
FHA no ZIP	1350	500,973,312
VA	29	11,262,517
USDA	31	8,176,484

2167 801,373,458

Total 3993 1,469,699,482

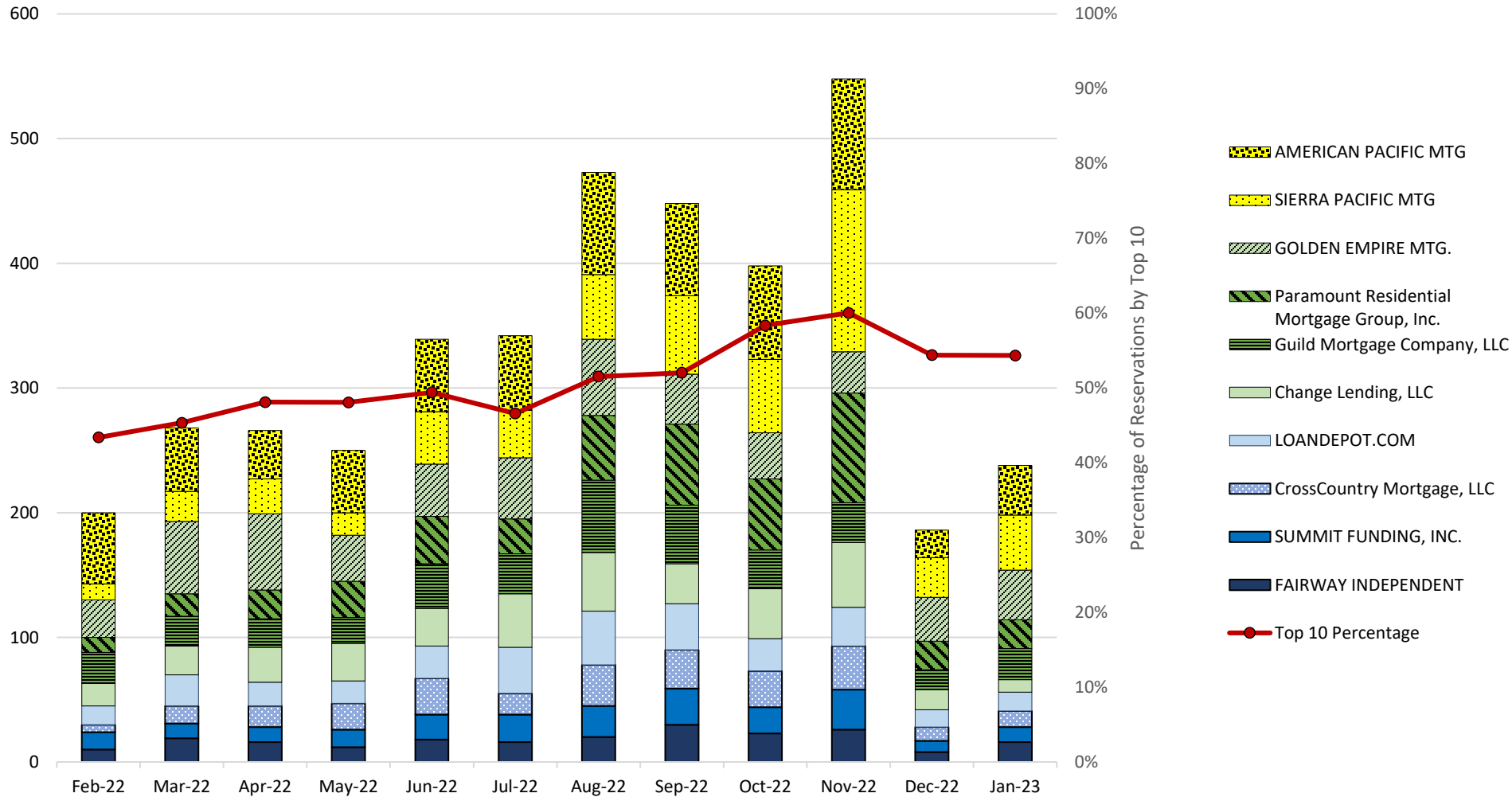
Conventional (46%)

Conventional with ZIP	68	27,519,559
Conventional no ZIP	324	137,639,994
LI/VLI Conventional with ZIP	5	1,066,910
LI/VLI Conventional no ZIP	1429	502,099,561

1826 668,326,024

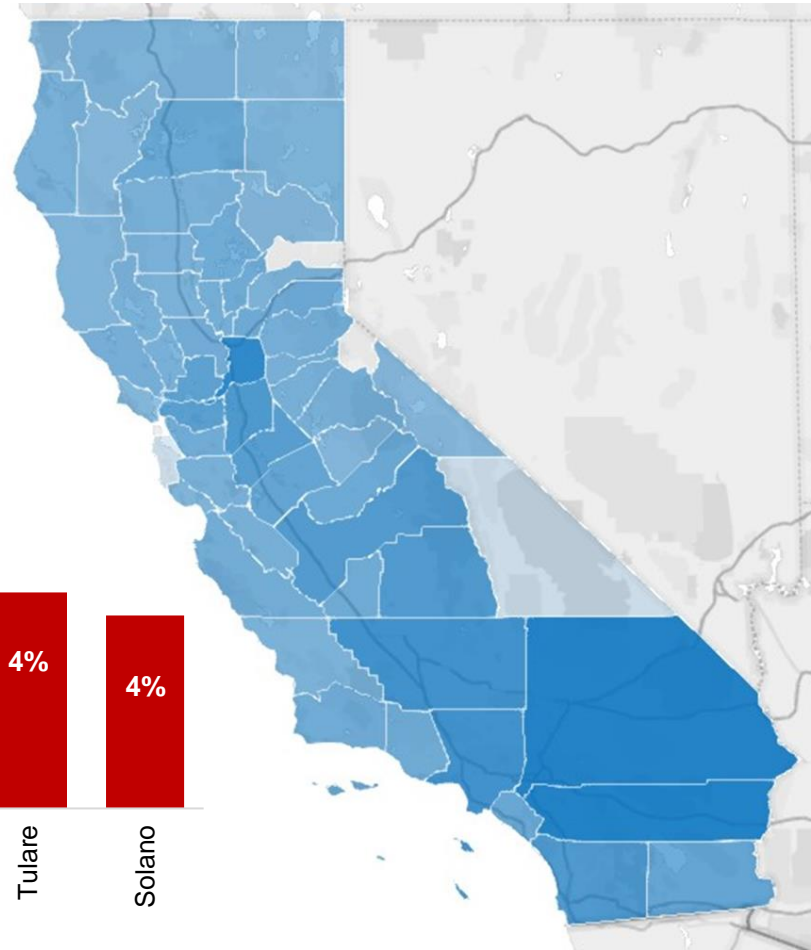
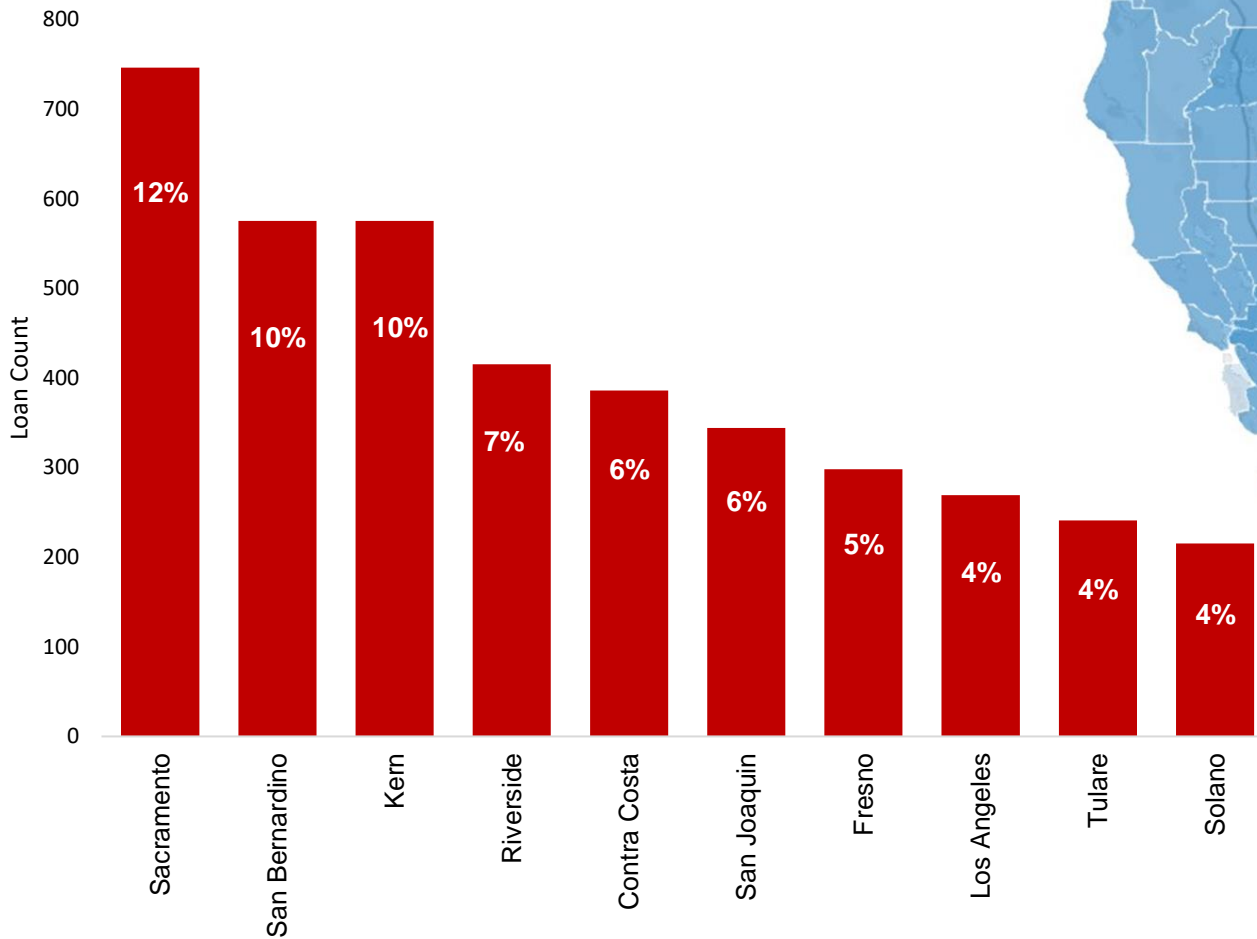
■ Conventional ■ Government

Reservations by Top 10 Lenders

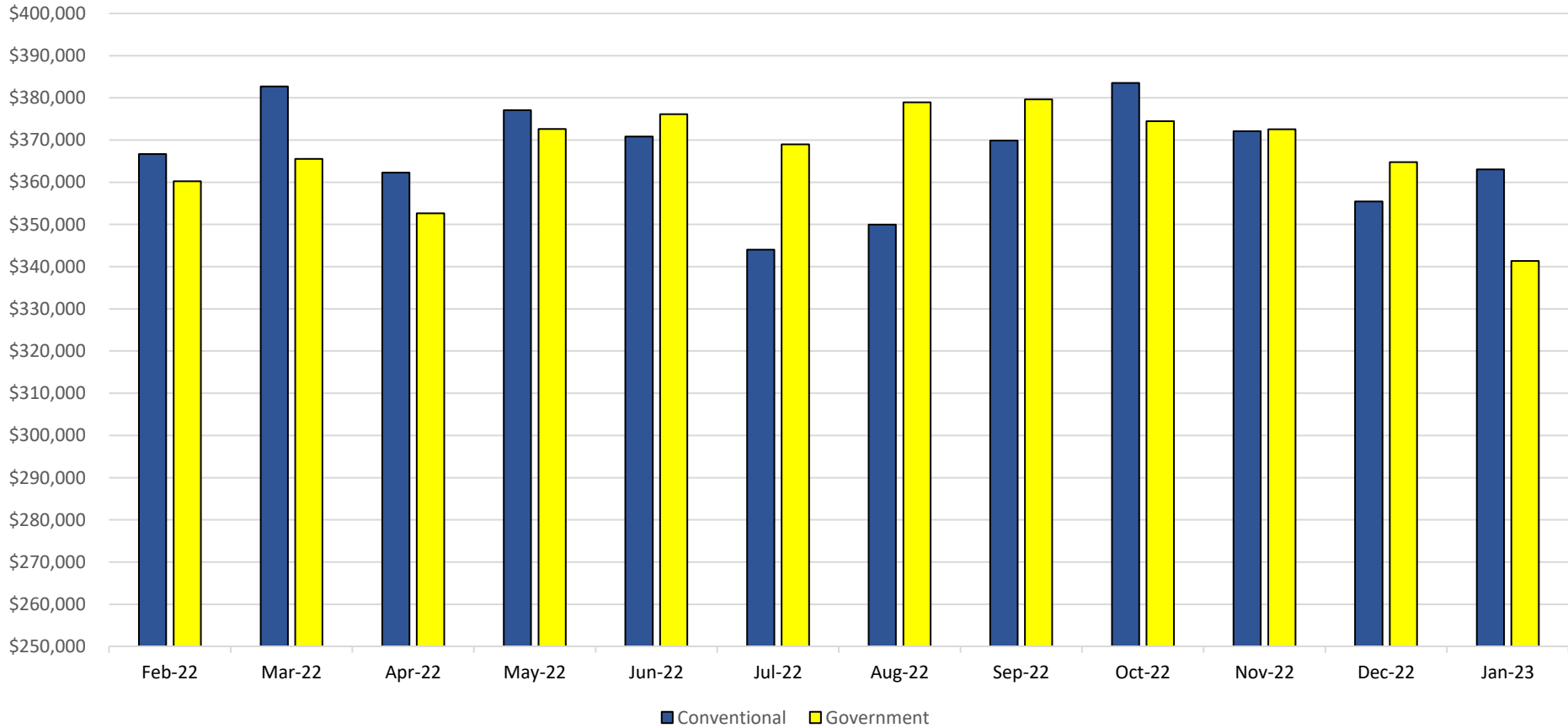


Where are our borrowers?

Top 10 Counties



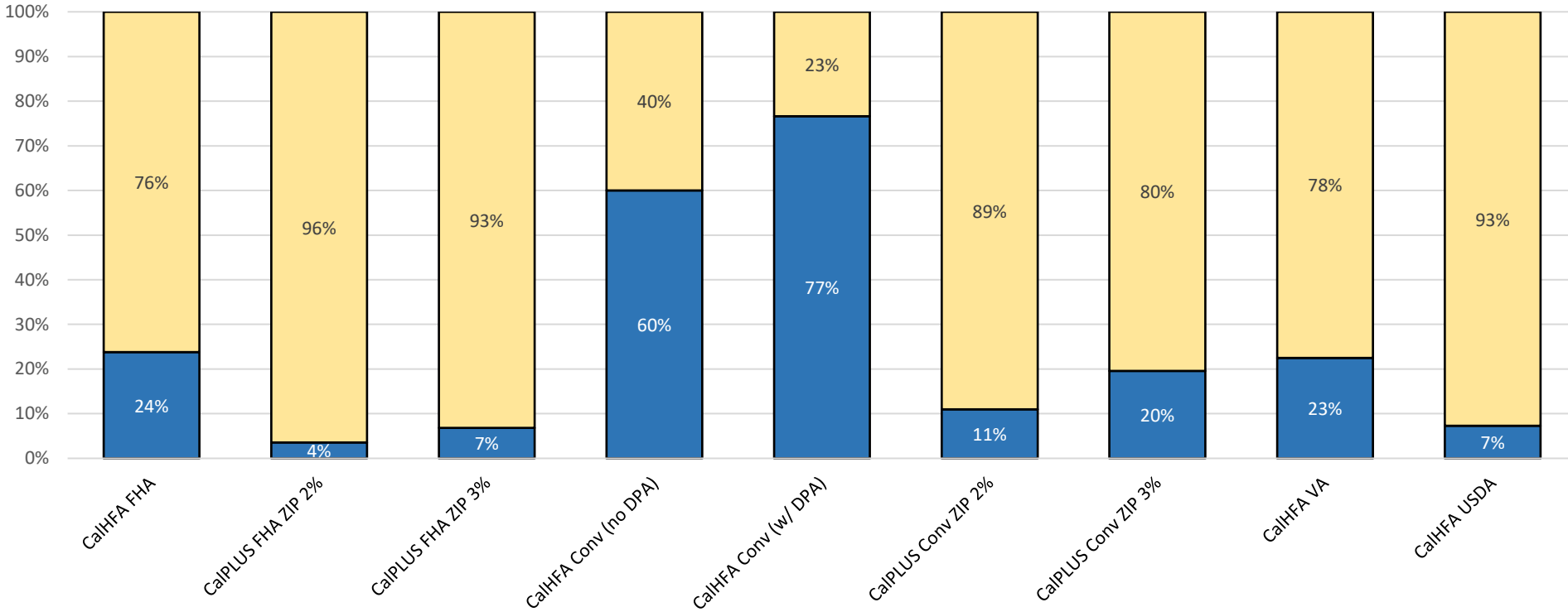
Average Loan Amount



Historical Averages

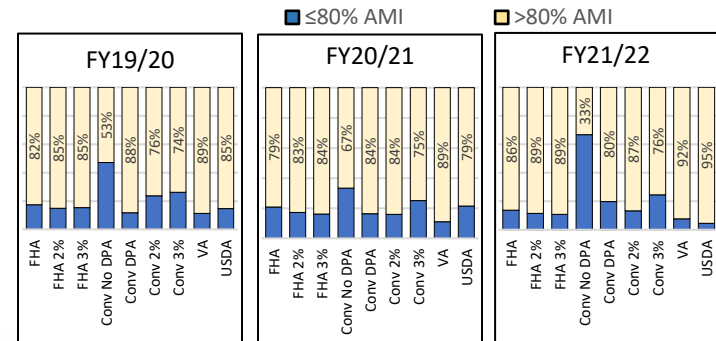
	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Government	221,428	229,240	253,145	268,199	282,148	310,593	321,005	356,602
Conventional	233,671	243,863	264,259	281,643	303,209	318,202	337,779	366,500
All Loans	228,381	235,207	256,159	272,562	290,641	311,959	325,603	359,476

Borrower Income Level Over or Under 80% AMI by Loan Program



Loan Count	≤80% AMI	>80% AMI
Government		
CalHFA FHA	385	1234
CalPLUS FHA ZIP 2%	37	1016
CalPLUS FHA ZIP 3%	57	778
CalHFA VA	9	31
CalHFA USDA	4	51
Government Total	492	3110

Conventional	≤80% AMI	>80% AMI
CalHFA Conv (no DPA)	6	4
CalHFA Conv (w/ DPA)	1455	444
CalPLUS Conv ZIP 2%	29	236
CalPLUS Conv ZIP 3%	44	181
Conventional Total	1534	865
Total All Loans	2026	3975



Lending by Region

By count for past 12 mos. securitized or funded

Feb 2022 - Jan 2023

ADU Grant

(Paused 12/9/22)

Los Angeles Region	40%
Bay Area Region	18%
San Diego Region	11%
Orange County Region	9%
Inland Empire Region	8%
Central Coast Region	6%
Capital Region	5%
Central Valley Region	2%
Rural Areas	1%

Forgivable Loan

(Discontinued 11/30/22)

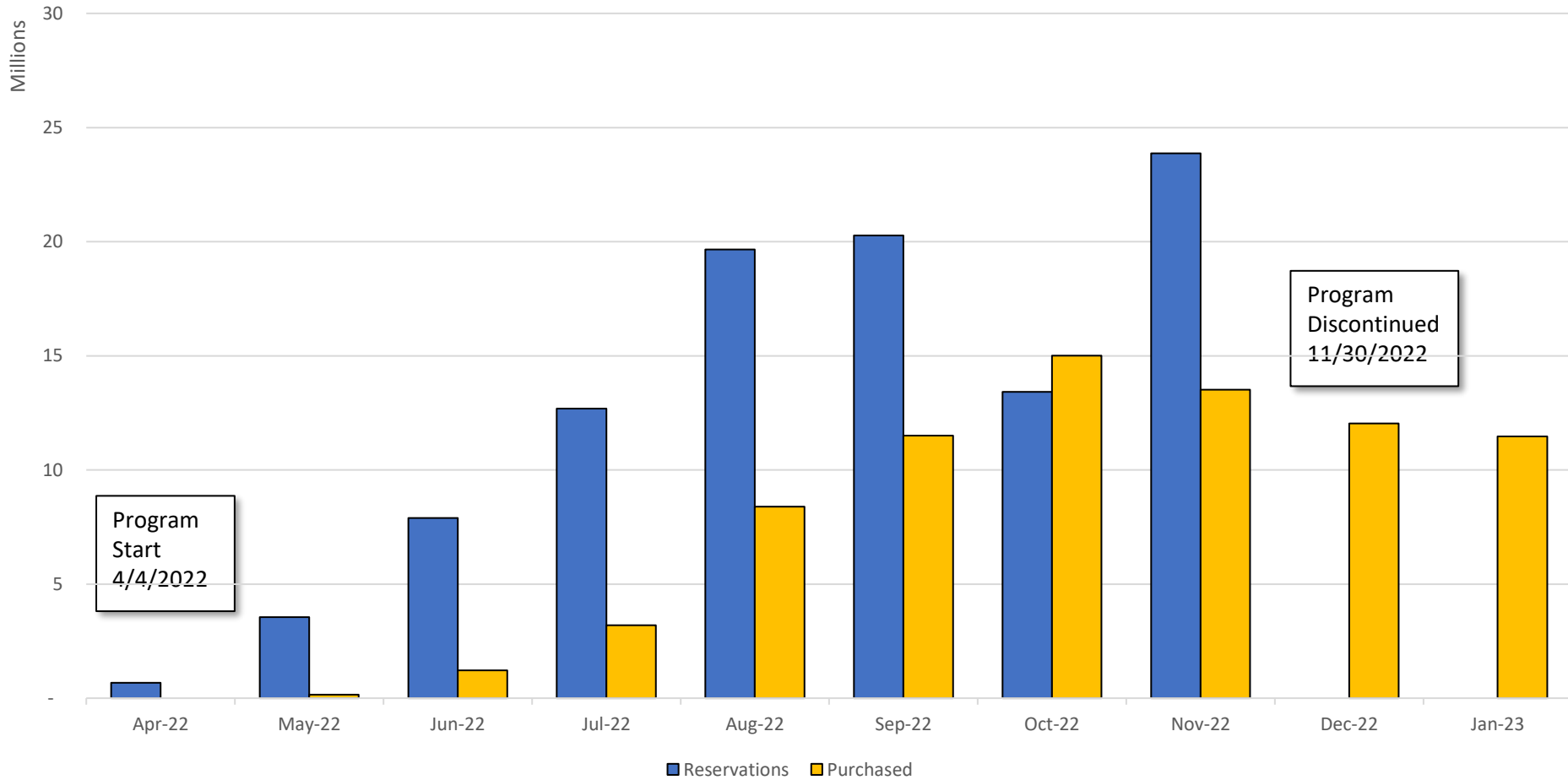
Bay Area Region	36%
Capital Region	23%
Central Valley Region	14%
Rural Areas	10%
Inland Empire Region	8%
Los Angeles Region	4%
Central Coast Region	3%
San Diego Region	2%
Orange County Region	0%

All Other Loans

Central Valley Region	40%
Inland Empire Region	23%
Capital Region	12%
Rural Areas	10%
Bay Area Region	7%
Los Angeles Region	5%
San Diego Region	2%
Central Coast Region	1%
Orange County Region	0%



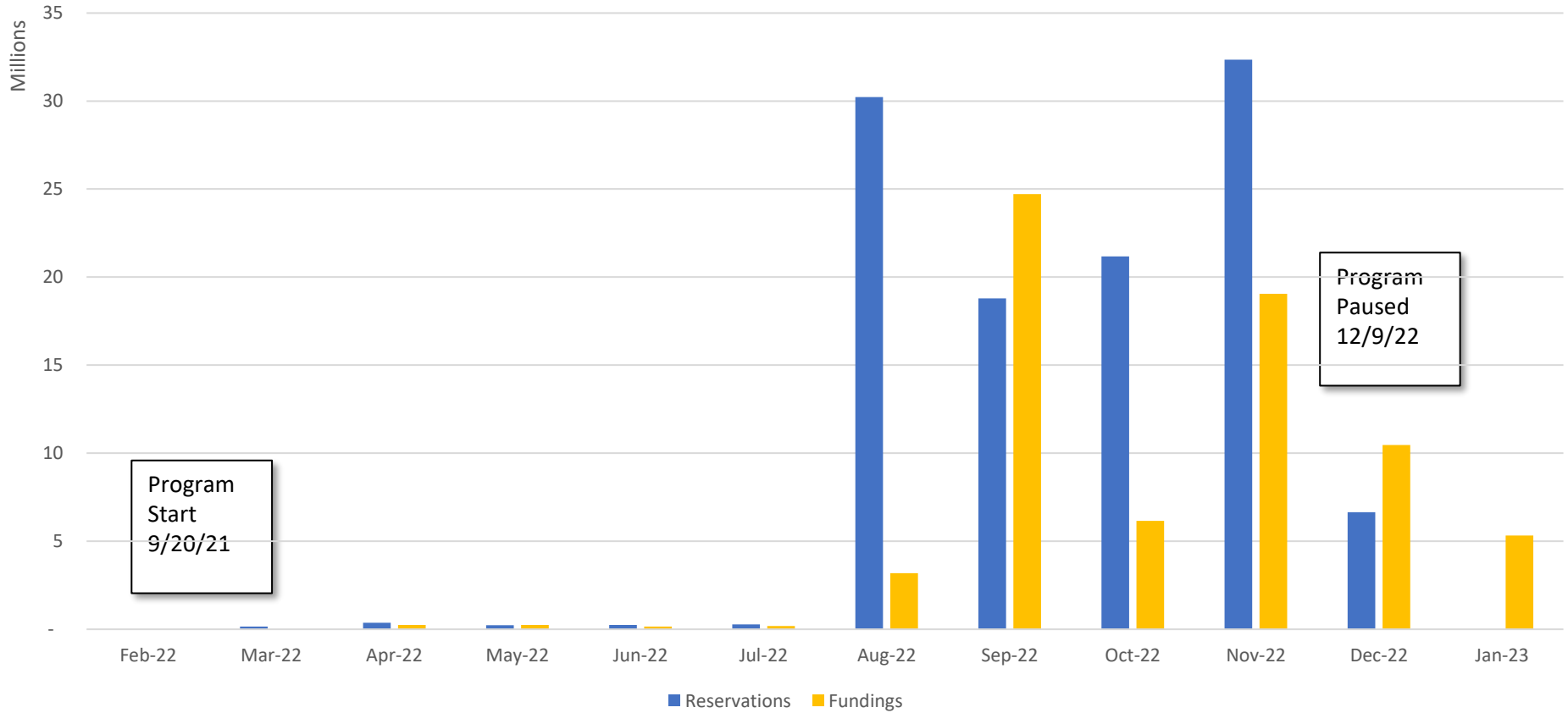
Forgivable Equity Builder Loan Program



From Program Start:

	<u>Count</u>	<u>Amount</u>
Reservations	2572	102,033,518
Purchased	1970	78,224,198

ADU Grant Program



From Program Start:

	<u>Count</u>	<u>Amount</u>
Reservations	2769	110,491,853
Fundings	1777	70,920,968

MEMORANDUM

To: Board of Directors
 From: Kate Ferguson, Director of Multifamily Programs
 CALIFORNIA HOUSING FINANCE AGENCY
 Subject: ASSET MANAGEMENT QUARTERLY PORTFOLIO REPORT

Date: March 07, 2023

The CalHFA Asset Management Portfolio is comprised of 743 projects with a balance of \$1,167,404,822 in financing as of December 31, 2022. The CalHFA portfolio consists of 17,211 affordable home units throughout the State of California.

The portfolio is broken down by type of program as follows:

10	Section 8 (Contract Administrator)
103	CalHFA Permanent (Risk Share)
192	CalHFA Permanent (Non-Risk Share)
180	Mental Health Services Act
22	Special Needs Housing Program
82	Conduit
39	Section 811 (Contract Administrator)
115	School Facility Fee Reimbursement Program
743	Total

The portfolio has a low delinquency rate of 0.2%, which is only two projects. There are two projects on the Watch List for various issues such as untimely submission of annual financial reports, lack of compliance with the regulatory agreement, or pending completion of physical improvements recommended at time of inspection.

Preservation Strategy

There are 44 Loans on 44 projects (zero projects have two or more CalHFA loans) scheduled to mature within the next five years. The Multifamily Programs division has initiated a preservation strategy of the existing portfolio in an effort to extend affordability of the CalHFA financed projects.

The goals of the Multifamily Asset Management Program are to increase and preserve the supply of affordable housing, assure the maintenance of a quality living environment, assure the projects are financially sound and sustainable, and to cooperate with local jurisdictions to advance affordable housing throughout the State.

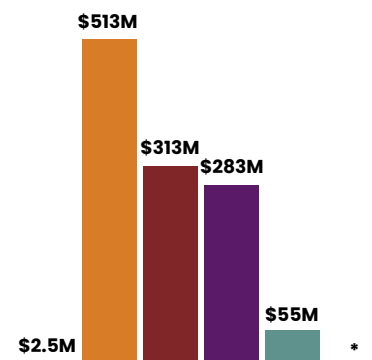
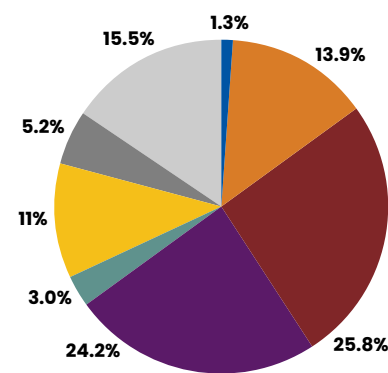


Asset Management Quarterly Portfolio Report

As of December 31, 2022

Programs

TYPE	PROJECTS		UPB	
	#	%	\$	%
Section 8 Program - Contract Administrator	10	1.4%	\$2,540,065	0.2%
CalHFA Permanent - Risk Share	103	13.9%	\$513,022,526	44.0%
CalHFA Permanent - Non Risk Share	192	25.8%	\$313,261,036	26.8%
Mental Health Services Act	180	24.2%	\$283,374,397	24.3%
Special Needs Housing Program	22	3.0%	\$55,206,799	4.7%
Conduit	82	11.0%	0	0
Section 811 - Contract Administrator	39	5.3%	0	0
School Facility Fee Reimbursement Program	115	15.5%	0	0
TOTAL	743		\$1,167,404,822	100.0%



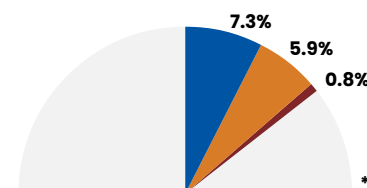
PROGRAMS BY DOLLAR AMOUNT

*3 Programs registered \$0

* The unpaid principal balance is based on 422 existing projects with loan balances. The portfolio continues to maintain projects without loan balances for purposes of affordability requirements and compliance. 321 projects are being reviewed and maintained for compliance purposes only.

Preservation Risk Indicators

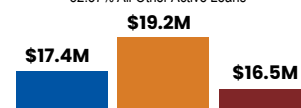
TYPE	PROJECTS		UPB	
	#	%	\$	%
Regulatory Agreement Expires ≤5 years	54	7.3%	\$17,424,252	1.5%
Loans Mature ≤5 Years	44	5.9%	\$19,213,843	1.7%
Yield Maintenance Requests (last quarter)	6	0.8%	\$16,506,929	1.4%



RISK INDICATORS: PRESERVATION

BY % OF ALL LOANS

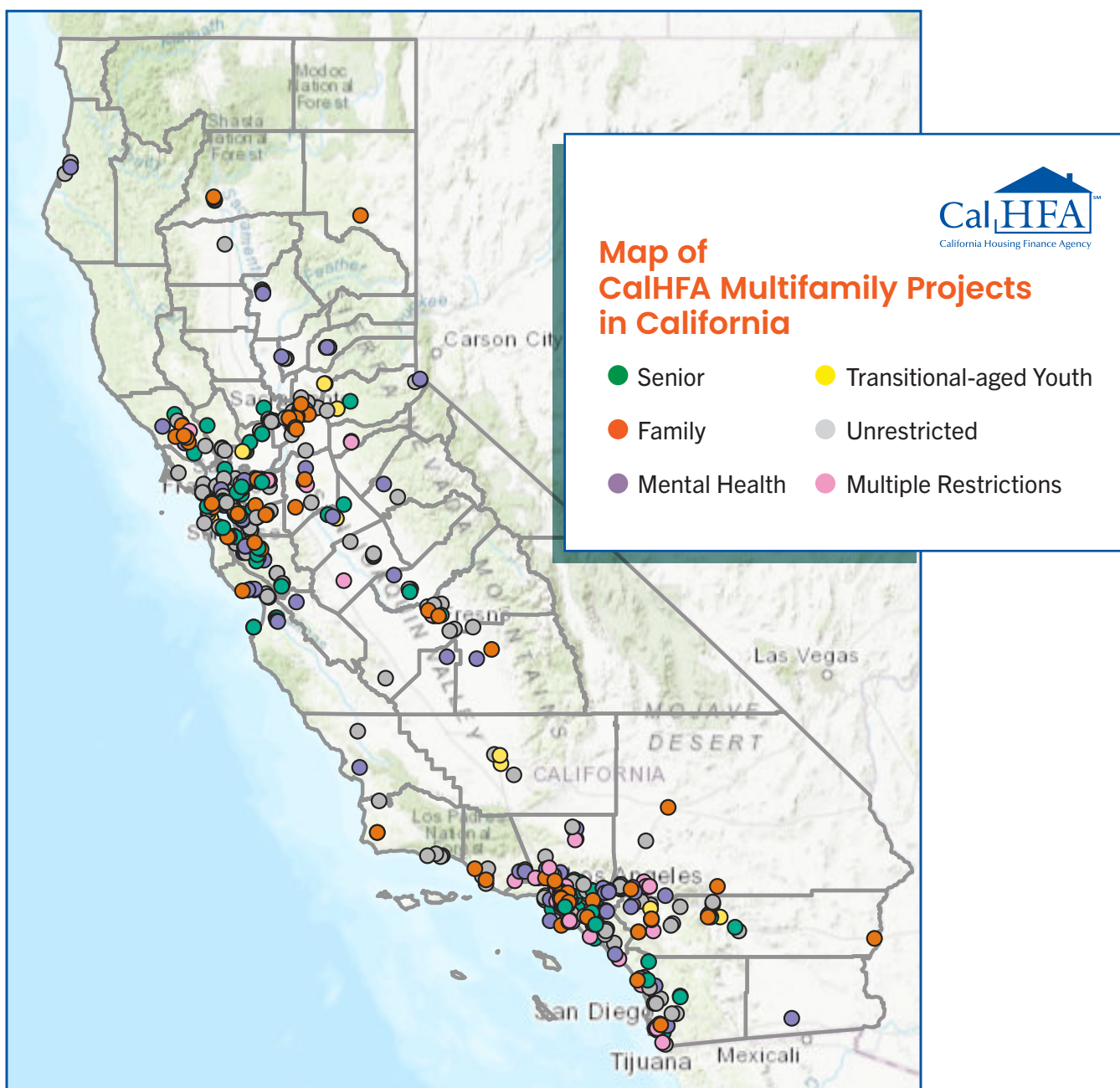
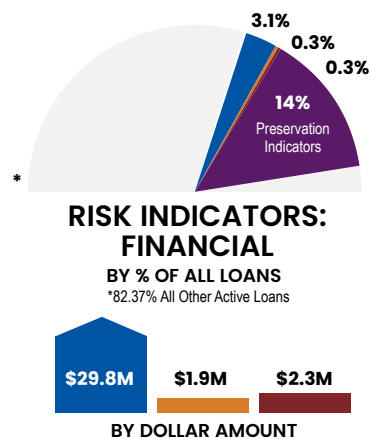
*82.37% All Other Active Loans



BY DOLLAR AMOUNT

Financial Risk Indicators

TYPE	PROJECTS		UPB	
	#	%	\$	%
Projects with DCR < 1.0	23	3.1%	\$29,834,322	2.6%
Watch List	2	0.3%	\$1,875,018	0.2%
Delinquencies	2	0.3%	\$2,266,888	0.2%



AGENCY BONDS, INTEREST RATE SWAPS AND FINANCING RISK FACTORS REPORT

EXECUTIVE SUMMARY:

Since our last report, CalHFA's bonds outstanding have decreased by \$24 million from \$69 million to \$45 million, all of which are in our fixed rate stand alone multifamily indentures. Additionally, the Agency's swap notional amount outstanding decreased by \$279 million, from \$703 to \$424 million.

- 1) We currently have \$43mn long-term swap notional currently held in our two primary indentures, HMRB and MHRBIII. This is due to our successful strategy of aggressively de-leveraging the balance sheet by redeeming variable rate bonds, and negotiating favorable terminations with our long term swap counterparties.
- 2) Our collateral posting risk has been contained to around the \$15 million range—at its height, it was \$132 million.
- 3) We are continuing our general strategy of winding down our long-term swap portfolio as quickly as we can, while incurring as little cost as possible.
- 4) We are also entering new short-term swaps to hedge interest rate risk on new forward multifamily commitments not adequately covered by our current swap portfolio. We currently have \$382mn in swap notional hedging these commitments.

The following report describes our bond and interest rate swap positions as well as the related risks associated with our financing strategies. The report is divided into sections as follows:

- 1) Outstanding Bonds
- 2) Interest Rate Swaps
- 3) Financing Risk Factors
 - a) Termination Risk/Guarantor Risk
 - b) Collateral Posting Risk

This report is organized programmatically by indenture as follows: HMRB (Home Mortgage Revenue Bonds—CalHFA's single family indenture), MHRB (Multifamily Housing Revenue Bonds III—CalHFA's largest multifamily indenture), and Stand Alone (four Multifamily deals funded with limited/special obligation bonds).

1) BONDS OUTSTANDING

Below is the Agency's outstanding debt position. This table does not include any pass-thru or conduit financings which make up an additional \$5.14 billion. For the purposes of this report, this conduit/pass-thru amount will not be included in the tables or calculations.

BONDS OUTSTANDING

As of February 1, 2023
(\$ in millions)

Indenture	Amount Outstanding
HMRB (SF)	\$0
MHRB (MF)	0
Stand Alone (MF)	45
Total	\$45

2) Interest Rate Swaps

Prior to the redemption of all CalHFA's variable rate bonds, our fixed-payer swaps were intended to establish synthetic fixed rate debt by converting our variable rate payment obligations to fixed rates. The Agency no longer has variable rate bonds outstanding, but we still have obligations to make payments under the remaining swap agreements.

Currently, we have a total of 4 "fixed-payer" swaps with JPMorgan Chase Bank N.A., totaling \$42.6 million in notional amount. For fixed-payer swaps, we receive floating rate payments in exchange for a fixed-rate obligation. The Agency makes net payments to the counterparties. In certain cases, the counterparties have guarantors, which would provide payments should the counterparty be unable to fulfill their obligations.

CalHFA's current hedging strategy includes new interest rate swaps to hedge multifamily loan commitments. To date, CalHFA has 23 interest rate swaps under this strategy. The table below provides a summary of our swap notional amounts.

SWAPS (\$ in millions)

Source	Current Notional
MF Loan Commitments	382
MHRB (MF)	29
HMRB (SF)	14
Total	425

In the current low interest rate environment, CalHFA pays a net amount to each of its counterparties. For example, on February 1, 2023, the Agency made a total of \$0.4 million of net payments to our counterparties. Swaps that were entered into after 2003 had swap termination options which allowed CalHFA to terminate all or portions of the swap at par (no cost to terminate). While swaps that we entered into before 2003 had no par termination option, we negotiated a discount on the termination value for many of the swaps from that period. The next table shows the par and market terminations that the Agency has exercised to date.

Actual Swap Par Options Exercised		Market Swap Terminations (\$ in thousands)	
	(\$ in thousands)	Notional Amt.	Cost
2004	12,145	2022	333,315 17,474
2005	35,435		
2006	20,845		333,315 17,474
2007	28,120		
2008	18,470		
2009	370,490		
2010	186,465		
2011	288,700		
2012	361,975		
2013	243,855		
2014	162,140		
2015	95,160		
2016	191,215		
2017	122,215		
2018	27,470		
2019	9,810		
2020	990		
2021	48,460		
2022	7,860		
	<u>2,231,820</u>		

3) FINANCING RISK FACTORS

A) TERMINATION/GUARANTOR RISK

Termination risk is the risk that, for some reason, our interest rate swaps must be terminated prior to their scheduled maturity. Our swaps have a market value that is determined based on current interest rates. When current fixed rates are lower than the fixed rate of the swap, our swaps have a negative mark-to-market, and termination would result in a payment from us to our counterparty. Conversely, when current fixed rates are higher than the fixed rate of the swap, our swaps have a positive value to us, and termination would result in a payment from the provider of the swap to us.

It should be noted that, in a termination event, the market determines the amount of the termination payment and who owes it to whom. Depending on the market, it may be that the party who has caused the termination is owed the termination payment.

On a historical basis, the highest negative mark-to-market value of CalHFA's swaps was \$380 million in January 2012. Below is the current termination value of our swaps. Since September 30, 2022, CalHFA would be a net recipient of funds if it terminated all its interest rate swaps. The table has been updated from last report to include the new swaps hedging our multifamily commitments.

TERMINATION VALUE

Date	Termination Value \$ in millions
06/30/2021	(83.5)
09/30/2021	(74.5)
12/31/2021	(69.9)
03/31/2022	(47.2)
06/30/2022	(24.2)
09/30/2022	3.3
12/31/2022	29.3

Additionally, the following table provides information on how much we would owe or receive from each counterparty in the event of a swap termination.

SWAP COUNTERPARTIES

Counterparty	Mark-To-Market \$ in millions
JPMorgan Chase Bank, N.A.	(1.89)
Wells Fargo Bank, N.A.	0.36
Bank of New York Mellon	11.24
Bank of America, N.A.	19.56
Total*	29.27

* \$24Mn of Basis Swaps not included in totals; (recent payments have been positive to the Agency, though they have been comparatively small)

Guarantor risk is a type of termination risk where the Agency's swap guarantor defaults or has a significant decline in its credit rating that would cause the termination of the swap. This is in part mitigated by having a diversified group of swap guarantors

The following table shows the diversification of our fixed payer swaps among the 4 firms acting as our swap guarantors.

SWAP GUARANTORS

Swap Guarantor	Credit Ratings		Notional \$ in millions	Number of Swaps
	Moody	SP		
Bank of America, N.A.	Aa2	A+	249.6	18
Bank of New York Mellon	Aa2	AA-	124.4	4
JPMorgan Chase Bank, N.A.	Aa2	A+	42.6	4
Wells Fargo Bank, N.A.	Aa2	AA-	7.7	1
Total*			424.3	27

* \$24Mn of Basis Swaps not included in totals; (recent payments have been positive to the Agency, though they have been comparatively small)

B) COLLATERAL POSTING RISK

Some swap agreements have collateral posting requirements. Collateral posting requirements are a function of the mark-to-market, ratings, threshold amounts, independent amounts and any collateral already posted. Our swaps are valued weekly, and our collateral position is adjusted weekly based on those valuations. Failure to post the required collateral can result in a termination event. At its peak, CalHFA was required to post \$132 million of collateral at the end of January 2012. Between August 1, 2022 and February 1, 2023, the Agency's collateral posting requirements have ranged between \$15 million and \$22 million.

The table below shows collateral amounts we are currently required to post to swap counterparties.

Swap Collateral Posting

As of 02/08/2023

JPMorgan	15
Total	15

State of California

MEMORANDUM

To: Board of Directors **Date:** March 07, 2023

From: Rebecca Franklin, Director of Enterprise Risk Management and Compliance
CALIFORNIA HOUSING FINANCE AGENCY

Subject: California Mortgage Relief Program

The California Homeowner Relief Corporation (CalHRC) fully launched the California Mortgage Relief Program (CalMRP) on Monday, December 27, 2021. CalHFA designed and implemented the program to respond to overwhelming need as COVID-19 and the related economic disruption have exacerbated an already precarious housing situation for millions of California families. CalHRC received U.S. Department of the Treasury approval of its program plan on Friday, December 17, 2021.

As of February 15, 2023, the program has:

- Received more than 38,797 applications
- Served 10,967 households in California
- Disbursed \$306.6 million in assistance for California households
- Approved an average assistance amount of \$30,708 for MRP and \$8,449 for property tax program

In June 2022, CalHFA expanded the program to assist more Californians with their past-due property tax. Based on the ongoing program analysis on the most current and upcoming demand and market needs, CalHFA is eager to leverage additional scalable opportunities to increase the distribution and help more California homeowners. CalHFA designed an expansion plan and officially announced the expansion in early February 2023. The expansion parameters are as follow:

- Previously awarded homeowners who are still eligible and need more assistance can return for additional funds with a maximum of \$80,000 in total assistance
- Assistance is now available for homeowners with partial claim second mortgages or loan deferrals taken during or after January 2020
- The delinquency date for assistance with past-due mortgage and property tax payments was reset - applicants must have missed at least two mortgage payments OR at least one property tax payment prior to March 1, 2023
- Homeowners with a primary residence that includes up to 4 units on the property may now be eligible

These program expansions will allow more homeowners that are continuing to feel the effects from the pandemic to get more assistance.

Note: Due to the timing of the Board of Directors meeting and Bagley-Keene Act guidelines regarding notices and agenda's for public meetings, this report was created before the first month of data from the recent expansions could be compiled. As we expect significant interest from Board members in data regarding the program expansions, CalHFA will create a supplement to this report that will be sent out to the Directors.

As always, real-time information about the program is available on the California Mortgage Relief Program website at <http://www.camortgagerelief.org>.

MRP MONTHLY REPORT | JANUARY 2023

Assist the Most Vulnerable



63% AMI

Average AMI of those approved

Outreach Results



21,120

Applications from marketing campaigns/community organizations

Expert Support ¹



14,411

Households received guidance from housing counselors/legal aid

Average Household Assistance



MRP
\$31,119

PTX²
\$7,985

Prioritization of Historically Socially Disadvantaged Communities

Funds available for disbursement: **\$905,489,843**

40%

Socially disadvantaged

\$362,195,937

60%

100% AMI or less

\$543,293,906

\$147M

40.66% Completed



\$233M

42.91% Completed



	Disadvantaged	Not disadvantaged	% of disadvantaged
Applications	5,833	4,733	55%
Amount	\$147,251,585	\$149,848,973	50%

Streamlined Application Process and Reducing Mortgage Delinquency

	MRP	Amount	PC ³ Amount	PTX	Amount
Approved	9,675	\$289,630,691	\$519,387	921	\$7,872,483
Withdrawn/returned	168	\$5,421,012	0	7	\$72,971
Total	9,843	\$295,051,703	\$519,387	928	\$7,945,454
On hold	208	\$6,029,242	0	2	\$8,187
In Process	3,098	\$69,963,702	\$3,126,081	237	\$3,045,591
Total	3,306	\$75,992,944	\$3,126,081	239	\$3,053,778
Declined	12,544	\$433,045,217	\$48,540	678	\$6,461,839
Canceled	7,480	\$221,427,671	\$187,000	671	\$6,774,633
Total	20,024	\$654,472,888	\$235,540	1,349	\$13,236,472
Total	33,173	\$1,025,517,535	\$3,881,008	2,516	24,235,704

Average Days from Submission to Determination

Disposition	MRP	PTX
Approved	48	32
Declined	11	14
Canceled	45	47
All determined applications	37	42

MRP Top 3 Decline Codes

- 7,383** Not delinquent before program start
- 1,847** Above AMI
- 1,265** Requested reinstatement amount over \$80,000

PTX Top 3 Decline Codes

101

- 463** Not delinquent before program start
- 123** Above AMI
- 29** Not an eligible property type

MRP Pull Through Rate

44%

Approval rate

$$\frac{9,843 \text{ approved}}{(12,544 \text{ declined} + 9,843 \text{ approved})}$$

33%

Pull through rate

$$\frac{9,843 \text{ approved}}{(12,544 \text{ declined} + 9,843 \text{ approved} + 7,480 \text{ canceled})}$$

PTX Pull Through Rate

57.8%

Approval rate

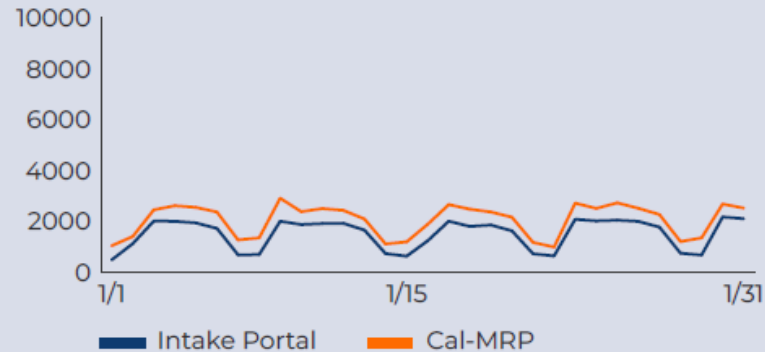
$$\frac{928 \text{ approved}}{(678 \text{ declined} + 928 \text{ approved})}$$

40.8%

Pull through rate

$$\frac{928 \text{ approved}}{(678 \text{ declined} + 928 \text{ approved} + 671 \text{ canceled})}$$

January Website Traffic



January Call Center Metrics



16,819
Contacts handled



5:45
Average handle time



98.14%
Calls answered in 30 seconds or less

¹ Data will be updated quarterly
² PTX – Property Tax Program
³ Partial Claims