



**CRHMFA Homebuyers Fund
Board of Directors Meeting
Wednesday, March 26, 2014
12:45 p.m.
1215 K Street Suite 1650
Sacramento, CA 95814**

AGENDA

- 1. Call to Order & Determination of Quorum**
*Chair, Supervisor Richard Forster, Amador County
Vice Chair, Supervisor Kevin Cann, Mariposa County*
- 2. Approval of Minutes – December 4, 2013 Board Meeting** **Page 1**
Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise
- 3. Member County Concerns**
- 4. Public Testimony**
Presentation only of any matters of concern to the general public
- 5. Resolution 14-02: Acceptance of Associate Members - Action** **Page 5**
Greg Norton, Executive Director
- 6. Appointment of 2014 Chair and Vice Chair and Appointment of Authority Officers – Action** **Page 11**
Greg Norton
- 7. Resolution 14-03: CRHMFA Homebuyers Fund Name Change - Action** **Page 13**
*Greg Norton
Craig Ferguson, Vice President*
- 8. CHF Property Assessed Clean Energy Programs - Action** **Page 17**
*Greg Norton
Craig Ferguson*
- 9. Energy Program Update**
*Greg Norton
Craig Ferguson*
- 10. Housing Programs Update**
*Greg Norton
Craig Ferguson*

11. Adjournment

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, please call Sarah Bolnik at (916) 447-4806 at least 48 hours before the meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment, please let staff know if you would like to speak on a specific agenda item.



**CRHMFA Homebuyers Fund
Board of Directors Meeting
December 4, 2013
11:45 a.m.
1215 K Street, Suite 1650
Sacramento CA 95814
916-447-4806**

MINUTES

Call to Order & Determination of Quorum

Supervisor Richard Forster, Amador County, called the meeting to order at 12:05 p.m. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
Richard Forster	Amador
Doug Teeter	Butte
Merita Callaway	Calaveras
Kim Dolbow Vann	Colusa
John Viegas	Glenn
Michael Kelley	Imperial
Aaron Albaugh	Lassen
David Rogers	Madera
Kevin Cann	Mariposa
John Pedrozo	Merced
Geri Byrne	Modoc
Tim Fesko	Mono
Diane Dillon	Napa
Nate Beason	Nevada
Terry Swofford	Plumas
Anthony Botelho	San Benito
Les Baugh	Shasta
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Larry Munger	Sutter
Bob Williams	Tehama
Debra Chapman	Trinity
Randy Hanvelt	Tuolumne
Duane Chamberlin	Yolo

Absent

Mary Rawson	Alpine
David Finigan	Del Norte
Brian Veerkamp	El Dorado
Linda Arcularius	Inyo
Anthony Farrington	Lake
Carre Brown	Mendocino
Jim Holmes	Placer
Roger Abe	Yuba

Others in Attendance

Allen Ishida, Supervisor, Tulare County
Brian Oneto, Supervisor, Amador County
Ed Horton, Placer County Water Agency
Wanda Ishida, Tulare County
Mark Pazin, Sheriff, Merced County

Staff in Attendance

Greg Norton, Executive Director
Patricia Megason, Deputy Director
Karl Dolk, Chief Financial Officer
Craig Ferguson, Vice President
Sanjay Lee, RCRC Staff Accountant
Santinia Pasquini, RCRC Legislative Analyst
Justin Caporusso, RCRC Public Affairs Specialist
Staci Heaton, RCRC Regulatory Affairs Advocate
Mary Pitto, RCRC Regulatory Affairs Advocate
Paul Smith, RCRC Senior Legislative Advocate
Randal Echevarria, RCRC Legislative Analyst
Kathy Mannion, RCRC Legislative Advocate
Maggie Chui, RCRC Governmental Affairs Assistant

Approval of Minutes – June 19, 2013 Board Meeting

Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise

Supervisor John Viegas, Glenn County, motioned to approve the minutes of the June 19, 2013 CHF Board of Directors Meeting. Supervisor Diane Dillon, Napa County, seconded the motion. Motion unanimously passed.

Abstaining:

**Supervisor Kim Dolbow Vann, Colusa County
Supervisor Aaron Albaugh, Lassen County
Supervisor David Rogers, Madera County
Supervisor Kevin Cann, Mariposa County
Supervisor John Pedrozo, Merced County**

**Supervisor Michael Kobseff, Siskiyou County
Supervisor Bob Williams, Tehama County**

Member County Concerns

None

Public Testimony

None

Investment Policy Renewal 2014

The 2014 Investment Policy Renewal was reviewed and approved by the RCRC Executive Committee at their November 13, 2013 meeting.

Staff Recommendation

Staff recommends that the CHF Board of Directors review and approve the 2014 CHF Investment Policy.

Supervisor Nate Beason, Nevada County, motioned to approve staff recommendations as presented. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion unanimously passed.

Resolution 14-01: Repayment by CHF of RCRC 2004 Administrative Contract Write-Off Amount

Resolution 14-01 would allow CHF to repay RCRC for the 2004 write-off, in the amount of \$1,488,246 for contract support services provided under the 2004 Administrative Services Contract that CHF was unable to pay.

Staff Recommendation

Staff recommends that the CHF Board of Directors approve Resolution 14-01 including the following:

1. Execution of an Agreement between CHF and RCRC, for repayment of \$1,488,246 to RCRC, which amount represents CHF's 2004 Accounts Payable balance that was written off by RCRC as part of the 2005 budget approval.
2. Authorize the payment of \$1,488,246 to RCRC as part of the 2014 CHF Budget.

Supervisor David Rogers, Madera County, motioned to approve staff recommendations as presented. Supervisor Nate Beason, Nevada County, seconded the motion. Motion unanimously passed.

2014 Proposed Budget

Greg Norton, Executive Director, provided an overview of the 2014 CHF proposed Budget and significant expenditure changes. Mr. Norton noted that CHF's Access program (second mortgage program funded by residual and program resources) is slated for transfer to NHF in 2014 as part of the long-term financial plan.

Staff Recommendation

Staff recommends the CHF Board of Directors approve the following recommendations:

1. Approve the attached proposed 2014 CHF Operating Budget.
2. Grant the CHF Executive Director the authority to make necessary business decisions and utilize up to \$500,000 per decision outside of the approved operating budget when necessary. Such decisions will be made with notification to the CHF Board Chair and Vice Chair and reported back to the CHF Board at the next available Board meeting.
3. Grant the CHF Executive Director the authority to proceed with necessary operating decisions due to changes in opportunities, the market, the economy or changing transactional requirements to provide necessary flexibility to effectively and timely implement programs. Such decisions to be made in consultation with the Vice President, CHF Chair and CHF Vice Chair with subsequent ratification by the Board of Directors as necessary.
4. Approve the contract service fee to RCRC in the amount of \$1,760,712 which includes a portion of the salaries for RCRC personnel who provide services to the JPA through the contract for services with RCRC, including those of the RCRC President/CEO, Executive Vice President and Chief Financial Officer.
5. Approve the \$1,488,246 for payment of the remaining 2004 contract support services fee.

Supervisor Nate Beason, Nevada County, motioned to approve staff recommendations as presented. Supervisor Kim Dolbow Vann, Colusa County, seconded the motion. Motion unanimously passed.

Energy Program Update

Greg Norton provided an update on the Energy Retrofit Program including possible enhancements and additional options staff is working on.

Housing Program Update

Craig Ferguson, Vice President, provided an update on the various housing programs including the Portfolio 2nd Mortgage Program and the Down Payment Assistance Gift Programs.

Adjournment

Supervisor Richard Forster, Amador County, adjourned the meeting of the CHF Board of Directors at 12:15 p.m.



To: CHF Board of Directors
From: Greg Norton
Executive Director
Date: March 18, 2014
Re: Resolution 14-02: Acceptance of Associate Members

Summary

As required per the CRHMFA Homebuyers Fund (CHF) JPA Agreement, Resolution 14-02 is to approve the acceptance of current associate members.

This resolution ratifies all current CHF associate members and restates the process by which new CHF associate members are accepted by the Authority. CHF staff is bringing this resolution to the CHF Board of Directors as part of the annual process regarding associate members of CHF.

The CHF Joint Exercise of Powers Agreement (dated as of January 28, 2004) allows associate members to be added to CHF "pursuant to action by the Board upon such terms and conditions, and with such rights, privileges and responsibilities, as may be established from time to time by the Board." Resolution 14-02 allows the CHF Board and staff to fulfill all board responsibilities of governance required in the Joint Exercise of Powers Agreement by documenting the process by which the Authority accepts associate members.

This resolution also authorizes the Executive Director to approve or deny associate members to join CHF under additional specific terms and conditions so long as these terms and conditions are not inconsistent with the terms and conditions of the documents that allow them to join CHF.

The current list of CHF members and associate members (attached) is provided for the Board's ratification. Currently CHF membership includes thirty-three regular member counties with the additions of Mendocino County and Humboldt County in 2013. Additionally, CHF membership includes twenty associate member counties, two associate member cities and one associate member joint powers authority.

CHF staff will provide updates at future CHF Board of Directors meetings on the status of membership and associate membership as appropriate.

Staff Recommendations

Staff recommends the CHF Board:

1. Approve Resolution 14-02; and
2. Ratify the current list of member counties and associate members per the attached list.

Attachments

- CHF Resolution 14-02
- CHF Member and Associate Member List

RESOLUTION NO. 14-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF CRHMFA HOMEBUYERS FUND REGARDING THE ACCEPTANCE OF ASSOCIATE MEMBERS AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, counties, cities and other specified entities are permitted to join, for the express purpose of the joint exercise of the powers of said counties, cities and entities, agencies created by a joint powers agreement entered into by pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California; and

WHEREAS, Chapters 1-5 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") authorize joint powers agencies established by cities and counties to incur indebtedness for the purpose of financing home mortgages authorized by the Act, and the Act provides a complete additional and alternative method for doing the things authorized thereby; and

WHEREAS, numerous rural counties in the State of California have agreed, and additional counties, cities and joint powers agencies may agree, pursuant to the provisions of the Government Code referenced above, to cooperate and participate in a home financing program and have entered into a Joint Exercise of Power Agreement, dated as of January 28, 2004, as amended (the "Agreement"), creating the CRHMFA Homebuyers Fund (the "Authority") and authorizing the Authority to exercise its powers pursuant to the Act for the purpose of financing home mortgages, as well as participate in other authorized programs; and

WHEREAS, the Agreement provides that Associate Members may be added to the Authority upon the affirmative approval of their respective governing boards and pursuant to action by the Authority's Board upon such terms and conditions, and with such rights, privileges, and responsibilities, as may be established from time to time by the Board; and

WHEREAS, the Authority desires to ratify all current associate members and to clarify the terms by which new associate members may be added.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors the Authority:

Section 1. Recitals. All of the above recitals are true and correct, and the Authority so finds and determines.

Section 2. Acceptance and Ratification of Associate Members. The Authority hereby ratifies the appointment of all of its current associate members, as shown on Exhibit A, which is attached hereto and incorporated herein by this reference.

Section 3. New Associate Members. The Authority authorizes the Executive Director to approve or deny any entity that desires to become an associate member, provided that any condition agreed upon with respect to proposed new associate members is not inconsistent with any other term and condition specified in the Agreement. At the first available Authority Board Meeting and at least annually after an associate member's governing board has taken action to become an associate member, the Executive Director shall notify the Authority of the new associate member.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED APPROVED AND ADOPTED by the Board of the CRHMFA Homebuyers Fund, the 26th day of March 2014.

CRHMFA HOMEBUYERS FUND

Designated Officer

I certify that the foregoing resolution is a true and accurate copy of Resolution 14-02 approved by the governing board of the CRHMFA Homebuyers Fund on March 26, 2014 in Sacramento, California.

Date: _____

Assistant Secretary



CHF MEMBERS

Alpine County
Amador County
Butte County
Calaveras County
Colusa County
Del Norte County
El Dorado County
Glenn County
Humboldt County
Imperial County
Inyo County

Lake County
Lassen County
Madera County
Mariposa County
Mendocino County
Merced County
Modoc County
Mono County
Napa County
Nevada County
Placer County

Plumas County
San Benito County
Shasta County
Sierra County
Siskiyou County
Sutter County
Tehama County
Trinity County
Tuolumne County
Yolo County
Yuba County

CHF ASSOCIATE MEMBERS

Alameda County
Contra Costa County
Fresno County
Kern County
Kings County
Monterey County
Riverside County
Sacramento County

San Bernardino County
San Diego County
San Francisco County
San Joaquin County
San Luis Obispo County
San Mateo County
Santa Cruz County
Solano County

Sonoma County
Stanislaus County
Tulare County
Ventura County
Independent Cities Finance
Authority (ICFA)

ASSOCIATE MEMBERS CITIES

Palmdale (Los Angeles County)

San Jose (Santa Clara County)



To: CHF Board of Directors
From: Greg Norton, Executive Director
Date: March 18, 2014
Re: Appointment of 2014 Chair and Vice Chair and Appointment of Authority Officers

Summary

Annually, the Officers of CRHMFA Homebuyers Fund (CHF) are to be elected. The JPA Agreement (Section 9. a.) states that the Board shall elect a Chair and Vice Chair from among the delegates. Traditionally, the RCRC Chair nominates or recommends the individuals to serve as the CHF Chair and Vice Chair. Following the nomination the Board then approves the nomination by electing those individuals to the Chair and Vice Chair positions.

The JPA Agreement (Section 9. b.) further states that the President/CEO of RCRC shall serve *ex officio* as the Executive Director, Secretary, Treasurer, and Auditor of the Authority. Further, the Executive Director may appoint such other officers as may be required for the orderly conduct of the Authority's business and affairs who shall serve at the pleasure of the Executive Director. As Executive Director, I appoint the following additional officers for 2014:

Deputy Director/Assistant Secretary
Vice President/Assistant Secretary
Controller/Assistant Secretary

Patricia Megason
T. Craig Ferguson
Karl W. Dolk

Staff Recommendations:

Staff recommends that the CHF Board:

1. Elect Supervisor Richard Forster, Amador County, the 2014 CHF Chair and Supervisor Kevin Cann, Mariposa County, the Vice Chair per the nomination of the RCRC Chair; and
2. Confirm the appointment of the additional 2014 officers by the CHF Executive Director as noted above.



To: CRHMFA Homebuyers Fund Board of Directors
From: Greg Norton, Executive Director
Craig Ferguson, Vice President
Date: March 18, 2014
Re: Resolution 14-03: CRHMFA Homebuyers Fund Name Change - **Action**

The housing Joint Powers Authority (JPA) name was changed on January 15, 2003 from California Rural Home Mortgage Finance Authority to CRHMFA Homebuyers Fund (CHF). The intention of that name change was to remove the reference to Rural, as some of the programs covered the entire state, while the public perception was that the programs were limited to rural and/or agricultural financings.

The JPA has continued to expand, including the addition of new housing and energy programs, as well as development of relationships with numerous business entities in these fields. The CRHMFA name is neither easy to explain or to remember, therefore, for purposes of branding and improving name recognition, staff recommends that the name of the JPA be changed to California Home Finance Authority. The acronym, CHF, for which the authority is more widely known, will remain the same.

The formal name change will occur with amendment of the JPA Agreement. As additional revisions to the Agreement will be proposed later this year, the formal name change will occur at that time. In the interim, staff intends to utilize the new name and will footnote necessary documents to reference the legal name and pending revision.

The Executive Committee directed the CHF Executive Director to present the proposed name change to the CHF Board of Directors. Resolution 14-03 (attached) provides staff with the authority to currently utilize California Home Finance Authority (with appropriate footnote) for operation of the JPA and to move forward with efforts to amend the JPA Agreement.

Staff Recommendation:

Staff recommends the CHF Board of Directors approve Resolution 14-03 to authorize the use of California Home Finance Authority for JPA operations and to proceed with efforts to amend the JPA Agreement.

Attachments:

CHF Resolution 14-03

RESOLUTION NO. 14-03

BOARD RESOLUTION AUTHORIZING THE USE OF THE NAME CALIFORNIA HOME FINANCE AUTHORITY FOR CRHMFA HOMEBUYERS FUND

WHEREAS, the CRHMFA Homebuyers Fund (the "Authority") is a duly constituted California joint exercise of powers agency ("JPA"), organized and existing under and by virtue of the laws of the State of California (the "State"); and

WHEREAS, for the reasons set forth in the staff report, the Board of the Authority hereby deems it would be in the best interest of the Authority to officially change of the Authority's name to "California Home Finance Authority"; and

WHEREAS, the official name of the Authority must be changed by an amendment to the JPA Agreement; and

WHEREAS, it may be several months before an amendment to the JPA Agreement is adopted;

NOW, THEREFORE, BE IT RESOLVED BY THE Board of the Authority as follows:

1. Until an amendment to the JPA Agreement is adopted, the Authority is hereby authorized to use the name of "California Home Finance Authority" for operational purposes so long as all materials contain appropriate references to the existing legal name pending formal JPA Agreement revision.

2. The Authority staff is hereby authorized to initiate steps to amend and restate the JPA Agreement to reflect the name change, and propose additional revisions, for Board review and approval.

PASSED APPROVED AND ADOPTED by the Board of California Home Finance Authority, the 26th day of March 2014.

California Home Finance Authority

Designated Officer

I certify that the foregoing resolution is a true and accurate copy of Resolution 14-03 approved by the governing board of California Home Finance Authority (CRHMFA Homebuyers Fund) on March 26, 2014 in Sacramento, California.

Date: _____

Assistant Secretary



To: CRHMFA Homebuyers Fund Board of Directors
From: Greg Norton, Executive Director
Craig Ferguson, Vice President
Date: March 18, 2014
Re: CHF Property Assessed Clean Energy Programs - ACTION

Summary

CHF has the opportunity to expand its existing energy retrofit programs by participating in Property Assessed Clean Energy (PACE) programs.

Background

In 2009 CHF submitted and subsequently was awarded a SEP / ARRA grant from the California Energy Commission (CEC). This grant allowed CHF to implement its Residential Energy Efficiency (EE) Retrofit Program, providing financing and grants for home energy retrofits to homeowners, and supporting the economy by providing job retention or creation. CHF has since extended its contract with the CEC, received additional funding from Pacific Gas and Electric, created a Loan Loss Reserve Program, and obtained a private capital financing commitment.

Staff believes that providing a PACE option to its energy retrofit financing programs would provide the following opportunities:

- **Additional Funding Source:** CHF's current funding sources for EE Financing are limited;
- **Competitive Offering:** The program will offer a competitive financing option even where current PACE financing programs already exist;
- **Additional EE Measures Allowed:** PACE programs allow for additional EE measures such as renewable funding, water efficiency measures, and other EE measures;
- **Incorporate Other Building Types:** CHF's current EE programs allow for single family residence participation. The proposed PACE program would allow for single family residences as well as Commercial, and Multifamily with the intention of including Public buildings in the future; and
- **Course of Construction Financing:** Existing PACE programs lack construction financing which provide funds during a "draw period" to cover contractor costs incurred during the course of construction. Such a lack of financing in this arena discourages some contractors, of primary concern, smaller contractors, from either participating in the program or conducting deep energy retrofits. Staff believes an opportunity exists to provide "Course of Construction" financing options to meet a need and potentially encourage a higher level of rural county

contractor participation. It is the intention that doing so would result in increased job creation and more program activity.

In addition to providing course of construction financing, CHF has the opportunity as a JPA, to create a large assessment district for voluntary participation by municipalities included in the district. Participation by property owners would be via voluntary contractual assessment financing within jurisdictions choosing to participate in the program.

Staff has been in discussion with a qualified entity to create a public private partnership to create the program, establish the district, and pursue multiple jurisdiction participation as well as to operate/administer the program(s).

The Executive Committee at its February 19th, 2014 meeting directed staff to recommend to the CHF Board of Directors to approve continued efforts to expand its existing energy retrofit programs and explore participating in Property Assessed Clean Energy (PACE) programs:

Staff Recommendations

Staff recommends that the CHF Board of Directors approve continued efforts to:

1. Proceed with the Process to Establish a JPA-wide PACE program(s);
2. Establish a public-private partnership with a PACE program administrator;
3. Evaluate the cost/benefit of providing Course of Construction financing; and
4. Make the necessary recommendations for financial and staff commitments to create and implement a successful program.

