

**Golden State Finance
Authority (GSFA)
Executive Committee Meeting**



**Wednesday, July 22, 2015
10:00 A.M.**

**1215 K Street, Suite 1650
Sacramento CA 95814
916-447-4806**

**Golden State Finance Authority (GSFA)
Executive Committee Meeting
1215 K Street, Suite 1650
Sacramento, CA 95814**

July 22, 2015 – 10:00 a.m.

Executive Committee Members:

Supervisor Lee Adams, Sierra County
Supervisor John Viegas, Glenn County
Supervisor Bob Williams, Tehama County
Supervisor Nate Beason, Nevada County
Supervisor Les Baugh, Shasta County

Supervisor Rex Bohn, Humboldt County
Supervisor Doug Teeter, Butte County
Supervisor Roger Abe, Yuba County
Supervisor Tim Fesko, Mono County
Supervisor Kevin Cann, Mariposa County

Agenda

10:00 a.m.

**Special Order of Business
Simultaneous Meeting
GSFA Executive Committee Meeting
RCRC Executive Committee Meeting
NHF Board of Directors Meeting**

CLOSED SESSION

**1. Closed Session: Conference with Legal Counsel – Existing Litigation
(Gov. Code Section 54956.9(d)(1)) *Washington State Housing Finance Commission v.
National Homebuyers Fund, et al.*, (King County WA,
Superior Court Case No. 15-2-12454-4SEA)**

- I. Call to Order and Determination of Quorum**
Chair, Supervisor Kevin Cann, Mariposa County
- II. Approval of Minutes of the May 6, 2015 Meeting**
*(Board Members absent from the meeting will be recorded as abstained
unless the Board Member indicates otherwise)*
- III. Member County Concerns**
- IV. Public Comment**
- V. Quarterly Reports for GSFA** (Discussion and possible action relative to)
Greg Norton, Executive Director
Lisa McCargar, Chief Financial Officer
 - a. Quarterly Budget Report (May 31, 2015)**
 - b. Quarterly Investment Report (June 30, 2015)**
 - c. Cash and Securities Asset Report (June 30, 2015)**

Page 1

**Page 5
Page 9**

- VI. Business and Administrative Matters** (Discussion and possible action relative to)
Greg Norton
Craig Ferguson, Vice President
- a. Second Mortgage Portfolio Performance**
 - b. Other Business and Administrative Matters**

- VII. Program Updates** (Discussion and possible action relative to)
Greg Norton
Craig Ferguson
- a. Down Payment Assistance Programs**
 - b. PACE Program Update**
 - c. Multi-Family Program**
 - d. Mortgage Credit Certificate Program**

VIII. 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, contact Sarah Bolnik by calling (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. The agenda for this meeting of the Executive Committee of the Golden State Finance Authority was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, 72 hours prior to the meeting.

**Golden State Finance Authority (GSFA)
Executive Committee Meeting
1215 K Street, Suite 1650 Board Room
Sacramento, CA 95814
(916) 447-4806**

May 6, 2015 – 10:00 a.m.

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County
Supervisor Les Baugh, Shasta County
Supervisor Lee Adams, Sierra County
Supervisor John Viegas, Glenn County
Supervisor Bob Williams, Tehama County

Supervisor Tim Fesko, Mono County
Supervisor Nate Beason, Nevada County
Supervisor Rex Bohn, Humboldt County
Supervisor Doug Teeter, Butte County
Supervisor Roger Abe, Yuba County

Minutes

Call to Order and Determination of Quorum

Vice Chair, Supervisor Les Baugh, Shasta County and RCRC Chair, Supervisor Lee Adams called the simultaneous meeting of the Golden State Finance Authority Executive Committee and the RCRC Executive Committee to order at 10:09 a.m. A quorum was determined at that time; those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
Doug Teeter	Butte
John Viegas	Glenn
Rex Bohn	Humboldt
Tim Fesko	Mono
Nate Beason	Nevada
Les Baugh	Shasta
Lee Adams	Sierra
Bob Williams	Tehama

Absent Members

Kevin Cann	Mariposa
Roger Abe	Yuba

Staff in Attendance

Greg Norton, Executive Director
Patricia Megason, Deputy Director
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Sarah Bolnik, Office Manager
Paul A. Smith, Senior Legislative Advocate
Elizabeth Jensen, Accountant
Sanjay Lee, Accountant

Others in Attendance

Shannon Avrett, Moss Adams
Derek Criswell, Moss Adams

Special Order of Business:**2014 Annual Audit Exit Conference and Financial Statements**

Lisa Mccargar, Chief Financial Officer, introduced from the auditing firm of Moss Adams, Shannon Avrett, Assurance Senior Manager, and Derek Criswell, Assurance Partner. Ms. Avrett provided the Executive Committees with an overview of their audit procedures, as well as an overview of the financial statements for GSFA and RCRC. Mr. Criswell noted that GSFA and RCRC received unqualified "clean" opinions and there were no significant matters identified and no audit adjustments were proposed.

The Executive Committees met privately with Ms. Avrett and Mr. Criswell to ask any questions or stress any concerns. Staff exited the room at 10:24 a.m. and returned to the room at 10:36 a.m.

Staff Recommendation:

Staff recommends that the GSFA Executive Committee, acting in their function as the Audit Committee, review and approve the 2014 audited financial statements and information letter as presented for presentation to and adoption by the GSFA Board of Directors.

Supervisor Tim Fesko, Mono County, motioned to approve the 2014 financial statements and information letter as presented. Supervisor John Viegas, Glenn County, seconded the motion. Motion unanimously passed.

At 10:39 a.m., the simultaneous meeting of the GSFA Executive Committee and the RCRC Executive Committee was adjourned.

At 12:55 p.m., the GSFA Executive Committee Meeting was convened.

Approval of Minutes of the February 11, 2015 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 February 11, 2015 GSFA Executive Committee Meeting. Supervisor Lee Adams, Sierra County, seconded the motion. Motion passed.

Member County Concerns

None

Public Comment

None

Quarterly Budget and Investment Reports for GSFA

Lisa McCargar, Chief Financial Officer, presented the Quarterly Investment & Budget Reports and the Cash and Securities Asset Report for the First Quarter of 2015 (period ending March 31, 2015).

Appointment of the Multi-Family Action Team

Greg Norton, Executive Director, reminded the GSFA Executive Committee that at the March 10, 2015 Board of Directors Meeting, the Board approved Resolution 2015-04 which allowed the creation of a Multi-Family Action team made up of five delegates from member counties. This team would have the authority to review and approve specific multi-family projects and loan subsidies. Mr. Norton reported that GSFA Chair, Supervisor Kevin Cann has appointed the five delegates to serve on the Multi-Family Action team. Supervisor Cann has already spoken to each of these delegates and they have all agreed to participate on this team.

Mr. Norton announced the members of the Multi-Family Action team:

GSFA Chair, Supervisor Kevin Cann, Mariposa County
GSFA Vice Chair, Supervisor Les Baugh, Shasta County
Supervisor Randy Hanvelt, Tuolumne County
Supervisor Rex Bohn, Humboldt County
Supervisor Diane Dillon, Napa County

Staff Recommendation:

Staff recommends that the GSFA Chair, Supervisor Kevin Cann, Mariposa County, announce the Multi-Family Action Team appointments and that the Executive Committee approve the delegates appointed to serve as the Multi-Family Action Team.

Supervisor Lee Adams, Sierra County, motioned to approve the Multi-Family Action team for GSFA as presented. Supervisor Tim Fesko, Mono County, seconded the motion. Motion unanimously passed.

JPA Agreement Approval Update

Greg Norton reviewed the status of the GSFA JPA agreement, and provided the Executive Committee with an update how many counties have currently submitted their resolutions and signed agreements. Mr. Norton announced that as of today's date twenty-five JPA agreements have been approved by member counties.

PACE Program Update

Greg Norton provided an update on the PACE program. Mr. Norton reported that the program is moving forward as expected. Mr. Norton described the opt-in process by Counties and Cities that have been occurring. Sample resolutions and staff reports are distributed to each county for use in the approval process. Ygrene representatives have also been attending multiple Board of Supervisor meetings in member counties.

Program Updates

Craig Ferguson, Vice President, gave an update on the Multi-Family Program for GSFA. The program continues to be successful.

Adjournment

Vice Chair, Supervisor Les Baugh, Shasta County, adjourned the meeting of the GSFA Executive Committee at 1:14 p.m.



Golden State Finance Authority (GSFA)
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To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Greg Norton, Executive Director
Date: July 14, 2015
Re: GSFA Budget Report for the Five Months Ended May 31, 2015

Summary

The Statement of Revenues and Expenses for GSFA provides a comparison of budgeted versus actual results for the five months ended May 31, 2015.

Attachment

- GSFA Statement of Revenues and Expenses for the Five Months Ending May 31, 2015

GOLDEN STATE FINANCE AUTHORITY
Statement of Revenue and Expenses
2015 Budget Vs. Aual
For the Five Months Ended May 31, 2015

	2015 Annual Budget	5 Months Ended May 31, 2015 Budget	5 Months Ended May 31, 2015 Actual	Varaiance Favorable / (Unfavorable)	Percent Favorable / (Unfavorable)
Income:					
Grant Reimbursed Costs	\$ 363,000	\$ 151,250	\$ 150,290	\$ (960)	-0.63%
Housing Program Revenue	22,216,500	9,256,875	\$ 11,828,756	2,571,881	27.78%
Interest Income	120,000	50,000	77,056	27,056	54.11%
Ongoing Issuer Fees	15,000	6,250	6,216	(34)	-0.54%
2nd Mortgage Interest	650,000	270,833	348,674	77,841	28.74%
Total Income	\$ 23,364,500	\$ 9,735,208	\$ 12,410,992	\$ 2,675,784	27.49%
Expenditures:					
Accounting & Auditing	\$ 30,000	\$ 12,500	\$ 21,600	\$ (9,100)	-72.80%
Arbitrage Rebate	5,000	2,083	0	2,083	100.00%
Board Member Travel and Reimbursement	15,000	6,250	0	6,250	100.00%
Business Development and Expansion	50,000	20,833	22,755	(1,922)	-9.23%
CDLAC fees	35,000	14,583	32,020	(17,437)	-119.57%
Consultants	84,000	35,000	35,000	0	0.00%
Contract Support Services	1,461,275	608,865	608,865	0	0.00%
Contract Performance Fee	1,150,000	479,167	0	479,167	100.00%
Grant Costs	363,000	151,250	150,290	960	0.63%
Insurance	40,270	16,779	12,719	4,060	24.20%
Legal Services	100,000	41,667	100,631	(58,964)	-141.51%
Loan Losses	250,000	104,167	25,245	78,922	75.76%
Gift Program	16,000,000	6,666,667	7,035,666	(368,999)	-5.53%
Pipeline Services	180,000	75,000	66,250	8,750	11.67%
DPA Program Management (40 bps)	1,500,000	625,000	630,908	(5,908)	-0.95%
Promotion and Marketing	50,000	20,833	12,241	8,592	41.24%
Rent	49,916	20,798	21,708	(910)	-4.38%
Sponsorships	50,000	20,833	5,000	15,833	76.00%
Travel	10,000	4,167	2,689	1,478	35.47%
Other Expenses	61,600	25,667	9,424	16,243	63.28%
Total Expenditures	\$ 21,485,061	\$ 8,952,109	\$ 8,793,011	\$ 159,098	1.78%
Net Revenues Over Expenditures	\$ 1,879,439	\$ 783,099	\$ 3,617,981	\$ 2,834,882	362.01%



To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Greg Norton, Executive Director
Date: July 14, 2015
Re: Quarterly Investment Report

Summary

In accordance with GSFA's investment policy, staff is providing the 2nd quarter investment report. This report provides a summary of investment transactions for the quarter ending June 30, 2015. In addition, the report provides the quarter's annualized yields by investment type and a comparison to the 90 day Treasury Rate.

The CalTRUST yields are the funds' reported June 30, 2015 yields. The LAIF return is the fund's 2nd quarter apportionment rate.

Attachment

- GSFA Investment Report –As of and for the Quarter Ending June 30, 2015

GOLDEN STATE FINANCE AUTHORITY
Investment Report
As of and for the Quarter Ended June 30, 2015

	Total	CalTRUST Short-Term	CalTRUST Medium-Term	LAIF
Balance 3/31/15	\$19,389,598	\$7,386,828	\$11,819,005	\$183,765
Additions	-	-	-	-
Withdrawals	-	-	-	-
Interest (accrued)	32,004	8,492	23,394	118
Capital Gain/(Loss)	(30,841)	(7,369)	(23,472)	-
Balance 6/30/15	\$19,390,761	\$7,387,951	\$11,818,927	\$183,883

Yield:

	Short Term	Mid Term	LAIF*
Annualized One Year	0.42%	0.76%	0.27%
Average Maturity (days)	489	734	191
90 Day Treasury Bill Rate	0.01%		

* LAIF estimated

All current cash investments are held in either California Treasurer's Local Agency Investment Fund (LAIF) or CalTRUST's Short-Term Fund or Medium-Term Fund. Cash in the LAIF fund and the CalTRUST Short-Term Fund may be accessed within 24 hours. Cash in the CalTRUST Medium-Term Fund may be accessed at the end of each month.

No members of the Investment Committee have any conflict of interest with any current investment firms.

Purpose of transactions in excess of \$1 million:
 -None

