

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



**Wednesday, February 17, 2016
10:30 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**

February 17, 2016 – 10:30 a.m.

Executive Committee Members:

Supervisor John Viegas, Glenn County
Supervisor Bob Williams, Tehama County
Supervisor Rex Bohn, Humboldt County
Supervisor Lee Adams, Sierra County
Supervisor Kevin Cann, Mariposa County

Supervisor John Fenley, Trinity County
Supervisor Kevin Goss, Plumas County
Supervisor Diane Dillon, Napa County
Supervisor Randy Hanvelt, Tuolumne County
Supervisor John Pedrozo, Merced County

Agenda

- I. Call to Order and Determination of Quorum**
Chair, Supervisor Kevin Cann, Mariposa County
- II. Member County Concerns**
- III. Public Comment**
- IV. Approval of Minutes of the November 18, 2015 Meeting** **Page 1**
(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)
- V. Quarterly Reports for GSFA** (Discussion and possible action relative to)
Greg Norton, Executive Director
Lisa McCargar, Chief Financial Officer
 - a. GSFA Quarterly Budget Report (December 31, 2015)** **Page 5**
 - b. GSFA Quarterly Investment Report (December 31, 2015)** **Page 7**
 - c. GSFA Cash and Securities Asset Report (December 31, 2015)**
- VI. Business and Administrative Matters** (Discussion and possible action relative to)
Greg Norton
Patricia Megason, Deputy Director
Craig Ferguson, Vice President
 - a. Facsimile Signature Authorization - ACTION** **Page 9**
 - b. Resolution 16-03: Authorizing Application to the California Debt Limit Allocation Committee (CDLAC) to Permit the Issuance of Qualified Mortgage Bonds and/or Mortgage Credit Certificates - ACTION** **Page 13**
 - c. Other Business and Administrative Matters**
- VII. Program Updates** (Discussion and possible action relative to)
Greg Norton
Craig Ferguson
 - a. Downpayment Program Update**
 - b. Multi-Family Program Update**
 - c. MCC Allocation Update**

- d. PACE Program Update**
- e. Infrastructure Finance Program Update**

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**

November 18, 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

GSFA and NHF Chair, Supervisor Kevin Cann, Mariposa County and RCRC Chair, Supervisor Lee Adams, Sierra County, called the simultaneous meeting of the Golden State Finance Authority Executive Committee, the National Homebuyers Fund, Inc. Board of Directors, and the Rural County Representatives of California Executive Committee to order at 10:05 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
Rex Bohn	Humboldt
Kevin Cann	Mariposa
Tim Fesko	Mono
Nate Beason	Nevada
Les Baugh	Shasta
Lee Adams	Sierra
Roger Abe	Yuba

Absent Members

Bob Williams	Tehama
John Viegas	Glenn

Staff in Attendance

Greg Norton, Executive Director
Patricia Megason, Deputy Director
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Sarah Bolnik, Office Manager
Terrance Rodgers, Economic Development Officer

Others in Attendance

Kate Jackson, Senior Manager, Moss Adams
Kevin Reynolds, Senior, Moss Adams
Jim Lanzarotta, Partner, Moss Adams

Special Order of Business: Simultaneous Meeting

2015 Annual Audit Entrance Conference with Audit Committee

The GSFA Executive Committee, RCRC Executive Committee, and the National Homebuyers Fund, Inc. Board of Directors convened a simultaneous meeting at 10:05 a.m.

2015 Annual Audit Entrance Conference with Audit Committee

Ms. Kate Jackson, Senior Manager at Moss Adams, introduced herself as well as Mr. Kevin Reynolds, Senior, and Jim Lanzarotta, Partner, to the NHF Board of Directors, the GSFA Executive Committee, and the RCRC Executive Committee. Ms. Jackson distributed a power point handout to all of the members and reviewed the audit process with the group. Ms. Jackson covered the areas of audit emphasis and asked if any of the members had any questions or areas of concern. Staff excused themselves from the room so that the members could have additional conversation with Moss Adams regarding the audit.

At 10:55 a.m. the simultaneous meeting of the GSFA Executive Committee, the RCRC Executive Committee, and the NHF Board of Directors was adjourned.

At 10:56 a.m. the GSFA Executive Committee was convened.

Approval of Minutes of the October 21, 2015 Meeting

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

Supervisor Rex Bohn, Humboldt County, motioned to approve the minutes of the October 21, 2015 GSFA Executive Committee Meeting. Supervisor Nate Beason, Nevada County, seconded the motion. Motion passed.

Member County Concerns

None

Public Comment

None

Resolution 15-09: Disaster Relief Assistance

Greg Norton, Executive Director, reminded the GSFA Executive Committee about the approval at the October 21, 2015 meeting to utilize GSFA public funds to assist families in current need of housing as a result of the recent fires. Mr. Norton requested that the Executive Committee approve Resolution 15-09 which would provide \$350,000 to Lake County and \$150,000 to Calaveras County to be used to assist with temporary housing of those families that have lost their homes.

Recommendation

That the GSFA Executive Committee review and approve Resolution 15-09: Disaster Relief Assistance and direct the GSFA Executive Director to recommend adoption and approval by the GSFA Board of Directors.

Supervisor Tim Fesko, Mono County, motioned to approve Resolution 15-09: Disaster Relief Assistance. Supervisor Nate Beason, Nevada County, seconded the motion. Motion passed.

Resolution 16-02: GSFA Board Member Travel Reimbursements

Greg Norton provided an overview of Resolution 16-02, GSFA's Board Member Travel Reimbursements.

Recommendation

That the GSFA Executive Committee review and approve the proposed Board Travel Expense Policy, Resolution 16-02 for presentation to the GSFA Board of Directors for approval.

Supervisor Nate Beason, Nevada County, motioned to approve Resolution 16-02: GSFA Board Member Travel Reimbursements. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion passed.

2016 Proposed Budget for GSFA

Greg Norton reviewed the 2016 proposed Operating Budget for GSFA with the Executive Committee.

Recommendation

Recommend that the GSFA Executive Committee approve the following recommendations and direct the GSFA Executive Director to make the same recommendations to the GSFA Board of Directors.

1. Approve the attached proposed 2016 GSFA Operating Budget.
2. Grant the GSFA 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 in consultation with the Vice President, the GSFA Board Chair and Vice Chair and reported back to the GSFA Board at the next available Board meeting.
3. Grant the GSFA 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, GSFA Chair and GSFA Vice Chair with subsequent ratification by the Board of Directors as necessary.
4. Consider and approve the lump sum contract service fee to RCRC in the amount of \$2,023,100, and performance fee in the amount of \$1,189,500 which includes a

prorated amount 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.

Supervisor Les Baugh, Shasta County, motioned to approve the 2016 GSFA Proposed Budget, and proposed recommendations. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion passed.

Program Updates

Craig Ferguson, Vice President, gave the Executive Committee an update on the current GSFA programs.

Adjournment

Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Executive Committee at 11:05 a.m.



Golden State Finance Authority (GSFA)
1215 K Street, Suite 1650 · Sacramento, California 95814
Phone: (855) 740-8422 · Fax: (916) 444-3219 · www.gsfahome.org

To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Greg Norton, Executive Director
Date: February 9, 2016
Re: GSFA Quarterly Budget Report

Summary

As part of the financial information and data shared with the Executive Committee, attached is the 4th quarter 2015 Statement of Revenue and Expenses for GSFA providing a budget to actual comparison for the year ended December 31, 2015.

Attachment

- GSFA Statement of Revenues and Expenses Budget Versus Actual for the Year ended December 31, 2015.

GOLDEN STATE FINANCE AUTHORITY
Statement of Revenue and Expenses
2015 Budget Vs. Actual - Unaudited
For the Year Ended December 31, 2015

Income:	Year Ended 31, 2015 Budget	Year Ended 31, 2015 Actual	Favorable / (Unfavorable)	Favorable / (Unfavorable)
Grant Reimbursed Costs	\$ 363,000	\$ 375,452	\$ 12,452	3.43%
Housing Program Revenue	22,216,500	39,980,725	17,764,225	79.96%
Interest Income	120,000	118,459	(1,541)	-1.28%
Ongoing Issuer Fees	15,000	44,901	29,901	199.34%
2nd Mortgage Interest	650,000	581,009	(68,991)	-10.61%
Total Income	\$23,364,500	\$41,100,546	\$17,736,046	75.91%
Expenditures:				
Accounting & Auditing	\$ 30,000	\$ 29,617	\$ 383	1.28%
Arbitrage Rebate	5,000	0	5,000	100.00%
Board Member Travel and Reimbu	15,000	160	14,840	98.93%
Business Development and Expan	50,000	41,956	8,044	16.09%
CDLAC fees	35,000	32,020	2,980	8.51%
Consultants	84,000	114,000	(30,000)	-35.71%
Contract Support Services	1,461,275	1,461,275	0	0.00%
Contract Performance Fee	1,150,000	1,720,122	(570,122)	-49.58%
Community Relations	0	500,000	(500,000)	-
Grant Costs	363,000	345,952	17,048	4.70%
Insurance	40,270	35,783	4,487	11.14%
Legal Services	100,000	61,247	38,753	38.75%
Loan Losses	250,000	122,562	127,438	50.98%
Gift Program	16,000,000	28,487,175	(12,487,175)	-78.04%
Pipeline Services	180,000	170,000	10,000	5.56%
DPA Program Management (40 bp	1,500,000	2,483,000	(983,000)	-65.53%
Promotion and Marketing	50,000	44,213	5,787	11.57%
Rent	49,916	51,273	(1,357)	-2.72%
Sponsorships	50,000	11,500	38,500	77.00%
Travel	10,000	14,082	(4,082)	-40.82%
Other Expenses	61,600	50,381	11,219	18.21%
Total Expenditures	\$21,485,061	\$35,776,318	#####	-66.52%
Net Revenues Over Expense	\$ 1,879,439	\$ 5,324,228	\$ 3,444,789	183.29%



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To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Greg Norton, Executive Director
Date: February 9, 2016
Re: GSFA Quarterly Investment Report

Summary

In accordance with GSFA's investment policy, we are providing the 4th quarter investment report. This report provides a summary of investment transactions for the quarter ending December 31, 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 December 31, 2015 yields. The LAIF return is the fund's 4th quarter apportionment rate.

Attachment

- GSFA Investment Report –As of, and for the Quarter Ending December 31, 2015

GOLDEN STATE FINANCE AUTHORITY
Investment Report
As of and for the Quarter Ended December 31, 2015

	Total	CalTRUST Short-Term	CalTRUST Medium-Term	LAIF
Balance 9/30/15	\$19,436,955	\$7,394,197	\$11,858,865	\$183,893
Additions	-	-	-	-
Withdrawals	-	-	-	-
Interest (accrued)	35,777	9,647	25,981	149
Capital Gain/(Loss)	(66,307)	(7,389)	(58,918)	-
Balance 12/31/15	\$19,406,425	\$7,396,455	\$11,825,928	\$184,042

<u>Yield:</u>	Short Term	Mid Term	LAIF
Annualized One Year	0.49%	0.84%	0.32%
Average Maturity (days)	350	712	179
90 Day Treasury Bill Rate	0.16%		

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

To: GSFA Executive Committee
From: Greg Norton, Executive Director
Date: February 9, 2016
Re: Facsimile Signature Authorization - **ACTION**

Summary

GSFA and Ygrene have successfully launched the PACE program in multiple Cities and Counties. The volume of applications received for program projects is quickly increasing. As a result, efforts are underway to create operational efficiencies wherever possible.

The recording of GSFA PACE Program documents with each County currently requires a wet signature and the submission of paper documents. The use of facsimile signatures, or e-signatures, will simplify the recording process for the PACE tax and assessment liens.

Counties will only accept the facsimile (electronic) signatures on documents submitted for recording that have been officially adopted as the statute states that the facsimile signature must be "officially adopted by that agency". The authorization of the facsimile signatures will permit GSFA/Ygrene to switch from the paper documents and wet signatures to an electronic document process. Following approval, the attached form letter will be sent to each County's Recorder authorizing the use of facsimile signatures by those listed in the authorization.

Recommendations:

It is recommended that the GSFA Executive Committee direct the GSFA Executive Director to recommend the GSFA Board:

1. Adopt the use of facsimile signatures in conjunction with the recording of tax and assessment liens associated with the GSFA/Ygrene PACE program for recordation; and
2. Authorize the individuals included in the attached letter as those whose signatures are authorized for this practice.

Attachments

- Authorized Facsimile Signatures Letter



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[Date]

[County Recorder Name and Address]

Re: Authorized Facsimile Signatures for GSFA Lien Recordings

Dear [County Recorder],

The Golden State Finance Authority ("**Authority**") is a governmental agency created under Articles 1-4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

This letter is submitted to you by the Authority pursuant to California Government Code Sections 27201-27211 and specifically Section 27201(b)(2), which subsection (b)(2) provides as follows:

“(2) A facsimile signature shall be accepted on a lien recorded by a governmental agency when that facsimile signature has been officially adopted by that agency. The lien shall have noted on its face a statement to that effect. The officially adopted facsimile signature shall be provided to the county recorder by a letter from the agency. A facsimile signature shall continue to be valid until the agency notifies the county recorder that the facsimile signature has been revoked.”

A facsimile of any one of the following signatures will be used by the Authority for recordation of special tax liens and assessment liens authorized and created by the Authority.

Peter Tran, Director of Operations

Felicia Mills, Client Relations

Sarah McCormack, Client Relations

Danh Nguyen, Program Administrator

Greg Norton, Executive Director

Craig Ferguson, Vice President

The facsimile forms of the foregoing signatures have been officially adopted by the Authority under the authority of Gov. Code Section 27201 and the lien so states. These adopted facsimile signatures, set forth above, are hereby provided by this letter to you as the [County Recorder]. Such facsimile signatures will be used by Authority on special tax liens and assessment liens created and recorded under Authority's authority. Each such lien to be so recorded will note on its face that the facsimile signature has been officially adopted by the Authority. You are authorized, and hereby directed by Authority, to record each such special tax lien or assessment lien presented to your office with any of the above facsimile signatures until and unless Authority notifies you that the facsimile signature has been revoked.

Sincerely,

Greg Norton
Executive Director
Golden State Finance Authority

To: GSFA Executive Committee
From: Craig Ferguson, Vice President
Greg Norton, Executive Director
Date: February 9, 2016
Re: Resolution 16-03: Authorizing Application to the California Debt Limit Allocation Committee (CDLAC) to Permit the Issuance of Qualified Mortgage Bonds and/or Mortgage Credit Certificates - **ACTION**

Summary

The Board of Directors of the Golden State Finance Authority (the "Authority") is being asked to adopt a resolution authorizing the issuance of Tax-Exempt Mortgage Revenue Bonds and/or Mortgage Credit Certificates for the purpose of financing a single family housing program for low-moderate income homebuyers.

Excess Debt Allocation is potentially available through the California Debt Limit Allocation Committee (CDLAC) which provides an opportunity for GSFA to apply for and utilize the debt to support a single family housing program.

This resolution authorizes GSFA to issue an amount of Tax-Exempt Mortgage Revenue Bonds and/or Mortgage Credit Certificates not to exceed \$1,000,000,000 and authorizes the expenditure of funds for the Authority not to exceed \$100,000 for each series of Bonds.

Additionally, GSFA will be required to hold a Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing regarding the issuance of tax exempt debt.

Recommendation

It is recommended that the GSFA Executive Committee:

1. Review and approve Resolution 16-03 and direct the GSFA Executive Director to recommend approval of the resolution by the GSFA Board of Directors.
2. Direct staff to take the actions necessary for authorization, notification and holding of the required TEFRA hearing.

Attachment(s)

Resolution 16-03

RESOLUTION NO. 16-03

RESOLUTION AUTHORIZING APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE TO PERMIT THE ISSUANCE OF QUALIFIED MORTGAGE BONDS AND/OR MORTGAGE CREDIT CERTIFICATES

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 completed additional and alternative method for doing the things authorized thereby; and

WHEREAS, the Governing Board (the "Board") of the Golden State Finance Authority ("GSFA") hereby finds and declares that it is necessary, essential and a public purpose for GSFA to finance home mortgages pursuant to the Act, in order to increase the housing supply within the geographical boundaries of GSFA for persons and families within the income limitations established by the Act; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), limits the amount of private activity bonds that may be issued in any calendar year by entities within a state and authorizes the legislature of such state to provide the method of allocating authority to issue private activity bonds within such state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California governs the allocation in the State of California of the state ceiling established by Section 146 of the Code among governmental units in the State having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an application for a portion of the state ceiling with or upon the direction of the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of private activity bonds; and

WHEREAS, CDLAC procedures require an applicant for a portion of the state ceiling to certify to CDLAC that the applicant has on deposit an amount equal to one-half of one percent of the amount of allocation requested (not to exceed \$100,000); and

WHEREAS, GSFA desires to request an allocation of state ceiling from CDLAC;

NOW, THEREFORE, BE IT RESOLVED by the Board of GSFA as follows:

1. The Executive Director or any Assistant Secretary of GSFA is hereby authorized, on behalf of GSFA, to make an application or applications to CDLAC for allocation of a portion of the state ceiling (as that term is defined in the Government Code) in an aggregate amount not to exceed \$1,000,000,000 for application toward the issuance of qualified mortgage bonds and/or mortgage credit certificates by GSFA. The Executive Director or any Assistant Secretary of GSFA is hereby authorized, on behalf of GSFA, to

submit all such documents and to pay the filing fees as may be required to CDLAC pursuant to Government Code Section 8869.85 in furtherance of the application(s).

2. An amount equal to one-half of one percent of the amount of each allocation requested (not to exceed \$100,000 per authorization) is hereby authorized to be placed into an escrow account, and the Executive Director or any Assistant Secretary of GSFA is authorized to certify to CDLAC that such funds are available.
3. An amount not to exceed \$100,000 for the expenditure of funds by the Authority for the cost of issuance for each series of bonds.
4. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED AND ADOPTED by the Governing Board of the Golden State Finance Authority the 17th day of February, 2016 by the following vote, to wit:

AYES:

NOES:

ABSENT:

EXCUSED:

GOLDEN STATE FINANCE AUTHORITY

Designated Officer

I certify that the foregoing Resolution is approved by the governing board of the Golden State Finance Authority on February 17, 2016 in Sacramento, California.

Date: _____

Assistant Secretary

Phone Number

Provide documentation for expenses as required in the Travel and Expense Policy for Delegates. Mileage expenses may not exceed \$0.54 per mile. For lodging in the Sacramento area, reimbursement will include lodging expense, inclusive of room rate, occupancy tax and other fees, up to a maximum of \$112 per night. Meal allowances may not exceed \$8 for breakfast, \$12 for lunch, and \$25 for dinner without prior approval, except as noted in the Travel and Expense Policy.

Amount:

