

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



**Wednesday, February 15, 2017
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
February 15, 2017 – 10:00 a.m.**

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County
Supervisor Randy Hanvelt, Tuolumne County
Supervisor Bob Williams, Tehama County
Supervisor Rex Bohn, Humboldt County
Supervisor John Viegas, Glenn County

Supervisor Les Baugh, Shasta County
Supervisor Doug Teeter, Butte County
Supervisor Diane Dillon, Napa County
Supervisor Matt Kingsley, Inyo County
Supervisor David Rogers, Madera County

Agenda

- I. Call to Order and Determination of Quorum**
Chair, Supervisor Kevin Cann, Mariposa County
- II. Approval of Minutes of the November 16, 2016 Meeting** **Page 1**
(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)
- III. Public Comment**
At this time any member of the public may address the Board. Speakers are asked to state their name for the record. Comments are usually limited to no more than 3 minutes per speaker.
- IV. Quarterly Reports for GSFA** (Discussion and possible action relative to)
Greg Norton, Executive Director
Lisa McCargar, Chief Financial Officer
- a. GSFA Budget Report for the Year Ended December 31, 2016** **Page 5**
- b. GSFA Investment Report as of and for the Quarter Ended December 31, 2016** **Page 9**
- c. GSFA Cash and Securities Asset Report**
- V. Business and Administrative Matters** (Discussion and possible action relative to)
Greg Norton
Craig Ferguson, Deputy Director
- a. GSFA Resolution 17-03: Authorizing the Financing of Seismic Improvements through the Community Facilities District PACE Financing Program - ACTION** **Page 13**
- b. GSFA 2017 Investment Committee – ACTION** **Page 19**
- c. Other Business and Administrative Matters**
- VI. Program Updates** (Discussion and possible action relative to)
Greg Norton
Craig Ferguson
- VII. 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 16, 2016 – 11:00 a.m.

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County	Supervisor John Pedrozo, Merced County
Supervisor Randy Hanvelt, Tuolumne County	Supervisor Diane Dillon, Napa County
Supervisor John Viegas, Glenn County	Supervisor Kevin Goss, Plumas County
Supervisor Bob Williams, Tehama County	Supervisor Lee Adams, Sierra County
Supervisor Rex Bohn, Humboldt County	Supervisor John Fenley, Trinity County

Minutes

Call to Order and Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County, called the meeting of the Golden State Finance Authority Executive Committee to order at 11:04 a.m. A quorum was determined at that time; those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
John Viegas	Glenn
Rex Bohn	Humboldt
Kevin Cann	Mariposa
Diane Dillon	Napa
Kevin Goss	Plumas
Lee Adams	Sierra
Bob Williams	Tehama
John Fenley	Trinity
Randy Hanvelt	Tuolumne

Absent Members

John Pedrozo	Merced
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Staff in Attendance

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

Others in Attendance

Supervisor Virginia Bass, Humboldt County
Robert Bendorf, Renovate America

Approval of Minutes of the August 17, 2016 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 August 17, 2016 GSFA Executive Committee Meeting. Supervisor John Fenley, Trinity County, seconded the motion. Motion passed.

Member County Concerns

None

Public Comment

None

Quarterly Budget and Investment Reports for GSFA

Greg Norton, Executive Director, presented the Quarterly Investment Report, the Budget Report, and the Cash and Securities Asset Report for the period ending May 31, 2016.

GSFA 2017 Proposed Budget

Greg Norton reviewed the 2017 proposed budget for GSFA with the Executive Committee.

Recommendations

It is recommended 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 2017 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 \$2,399,000, and estimated performance fee in the amount of \$1,960,750 which include 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 Bob Williams, Tehama County, motioned to approve the staff recommendations and the 2017 GSFA Proposed Budget. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion unanimously passed.

GSFA Investment Policy Renewal 2017

Greg Norton reviewed the investment policy for GSFA with the Executive Committee. The only revisions are applicable date changes.

Recommendation

It is recommended that the GSFA Executive Committee review and approve the attached draft Investment Policy for presentation of the Policy to the GSFA Board of Directors for adoption.

Supervisor Kevin Goss, Plumas County, motioned to approve the 2017 GSFA Investment Policy. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion unanimously passed.

GSFA Resolution 17-01: Board Travel Policy

Greg Norton reviewed the 2017 Board Travel Policy, GSFA Resolution 2017-01. Mr. Norton explained that the official 2017 IRS rate for reimbursement of mileage for personally owned vehicles has not yet been released. Once released, this rate will be considered a part of the policy.

Recommendation

That the GSFA Executive Committee review and approve the proposed Board Travel Policy, Resolution 17-01 for presentation to the GSFA Board of Directors for approval.

Supervisor Rex Bohn, Humboldt County, motioned to approve GSFA Resolution 17-01: Board Travel Policy. Supervisor John Viegas, Glenn County, seconded the motion. Motion unanimously passed.

Program Updates

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

Adjournment

Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Executive Committee at 11:25 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 7, 2017
Re: Budget Report for the Year Ended December 31, 2016

Summary

The Statement of Revenues and Expenses provides a budget to actual comparison for the year ended December 31, 2016.

Attachment

- GSFA Statement of Revenues and Expenses, Budget vs. Actual, for the Year Ended December 31, 2016

GOLDEN STATE FINANCE AUTHORITY
Statement of Revenue and Expenses
Budget Vs. Actual - Unaudited
For the Twelve Months Ended December 31, 2016

	2016 Annual Budget	Twelve Months Ended December 31, 2016 Actual	Variance Favorable / (Unfavorable)	Percent Favorable / (Unfavorable)
Income:				
Housing Program Revenue	\$ 31,095,000	\$ 65,319,636	\$ 34,224,636	110.06%
Energy Program Revenue	745,000	2,933,379	2,188,379	293.74%
Grant Reimbursed Costs	345,000	301,150	(43,850)	-12.71%
Interest Income and Capital Gain/(Loss)	145,000	229,191	84,191	58.06%
Ongoing Issuer Fees	10,000	219,558	209,558	2095.58%
2nd Mortgage Interest	496,000	521,871	25,871	5.22%
Miscellaneous Income	20,000	42,902	22,902	114.51%
Total Income	\$ 32,856,000	\$ 69,567,687	\$ 36,711,687	2664.47%
Expenditures:				
Accounting & Auditing	\$ 29,200	\$ 27,092	\$ 2,108	7.22%
Business Development and Expansion	100,000	62,270	37,730	37.73%
CDLAC fees	50,000	49,055	945	1.89%
Community Relations	15,000	297	14,703	98.02%
Custodian/Trustee	50,000	-	50,000	100.00%
Consultants	84,000	189,000	(105,000)	-125.00%
Contract Labor - Temps	10,000	-	10,000	100.00%
Contract Performance Fee	1,189,500	1,655,862	(466,362)	-39.21%
Grant Costs	345,000	301,150	43,850	12.71%
Insurance	37,700	38,906	(1,206)	-3.20%
Infrastructure Program	200,000	51,273	148,727	74.36%
Legal Services	125,000	154,176	(29,176)	-23.34%
Loan Losses *	150,000	151,699	(1,699)	-1.13%
Multi Family Bonds	10,000	-	10,000	100.00%
Gift Program	25,000,000	50,468,227	(25,468,227)	-101.87%
Grant Fund - California Disaster Assistance	1,000,000	1,000,000	-	0.00%
Pipeline Services	180,000	183,750	(3,750)	-2.08%
DPA Program Management	2,000,000	4,260,221	(2,260,221)	-113.01%
Printing and Duplication	1,000	177	823	82.30%
Promotion and Marketing	75,000	31,984	43,016	57.35%
Rent	67,950	68,640	(690)	-1.02%
Contract Support Services	2,023,100	2,023,101	(1)	0.00%
Sponsorships	50,000	30,450	19,550	39.10%
Board Member Travel and Reimbursements	15,000	282	14,718	98.12%
Travel	10,000	19,451	(9,451)	-94.51%
Other Expenses	38,000	49,438	(11,438)	-30.10%
Total Expenditures	\$ 32,855,450	\$ 60,816,501	\$ (27,961,051)	-85.10%
Net Revenues Over Expenditures	\$ 550	\$ 8,751,186	\$ 8,750,636	1591025%

* Loan losses subject to adjustment; pending final review.



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To: GSFA Executive Committee
From: Greg Norton, Executive Director
Lisa McCargar, Chief Financial Officer
Date: February 7, 2017
Re: Investment Report as of and for the Quarter Ended December 31, 2016

Summary

In accordance with GSFA's investment policy, we are providing the December 31, 2016 investment report. The report provides a summary of investment balances and transactions for the quarter ending December 31, 2016. In addition, the report provides the returns by investment type and a comparison to the 90 day Treasury Rate.

The CalTRUST yields are the funds' reported December 31, 2016 yields. The LAIF return is the fund's December 31, 2016 apportionment rate.

Attachment

- GSFA Investment Report – As of and for the Quarter Ended December 31, 2016

GOLDEN STATE FINANCE AUTHORITY
Investment Report
As of and for the Quarter Ended December 31, 2016

	Total	CalTRUST Short-Term	CalTRUST Medium-Term	LAIF
Balance 9/30/16	\$19,630,426	\$7,449,001	\$11,996,467	\$184,958
Additions	-	-	-	-
Withdrawals	-	-	-	-
Interest (accrued)	29,841	15,630	13,896	315
Capital Gain/(Loss)	(34,942)	(7,436)	(27,506)	
Balance 12/31/16	\$19,625,325	\$7,457,195	\$11,982,857	\$185,273

<u>Yield:</u>	Short Term	Mid Term	LAIF
Annualized One Year	0.75%	1.02%	0.68%
Average Maturity (days)	354	755	171
90 Day Treasury Bill Rate	0.51%		

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
Craig Ferguson, Deputy Director
Date: February 7, 2017
Re: GSFA Resolution 17-03: Authorizing the Financing of Seismic Improvements through the Community Facilities District PACE Financing Program - **ACTION**

Background

As you are aware, following GSFA Board approval, GSFA contracted with Ygrene Energy Fund to provide a PACE financing program to finance energy efficiency, water conservation and related authorized improvements on real property. Resolution 2017-03, attached, provides for the addition of seismic improvements as an Authorized Improvement to the program. Such improvements are to bring eligible properties into compliance with seismic safety standards or regulations. The Resolution also authorizes Best, Best, & Krieger LLP to file and prosecute an amendment to the Judgement of Validation on GSFA's behalf.

Recommendation

It is recommended that the GSFA Executive Committee review and approve the proposed GSFA Resolution 17-03 for presentation to the GSFA Board of Directors for approval.

Attachment

- Resolution 17-03

GOLDEN STATE FINANCE AUTHORITY

RESOLUTION NO. 2017 - 03

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
GOLDEN STATE FINANCE AUTHORITY AUTHORIZING THE
COMMUNITY FACILITIES DISTRICT NO. 2014-1 (CLEAN
ENERGY) TO FINANCE IMPROVEMENTS NECESSARY TO
BRING BUILDINGS OR REAL PROPERTY INTO COMPLIANCE
WITH SEISMIC SAFETY STANDARDS OR REGULATIONS,
APPROVING AND DIRECTING THE EXECUTION OF RELATED
DOCUMENTS, AND APPROVING RELATED ACTIONS**

WHEREAS, on September 26, 2014, the Board of Directors of the California Home Finance Authority, now known as the Golden State Finance Authority (“Authority”) adopted Resolution No. 2014-04 (the “Resolution of Intention”) declaring its intent to establish a community facilities district within the jurisdictional boundaries of the Authority’s current and future full and associate members in accordance with the Mello-Roos Community Facilities Act, set forth in sections 53311 through 53368.3 of the California Government Code (the “Act”), and particularly in accordance with sections 53313.5 and 53328.1(a) (the “District”); and

WHEREAS, the purpose of the District is to finance or refinance (including the payment of interest) the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property (the “Authorized Improvements”); and

WHEREAS, on December 10, 2014, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed District, the Board of Directors adopted Resolution No. 2014-07, establishing the District, providing for the levy of a special tax to finance the Authorized Improvements; and authorizing the filing of a validation action; and

WHEREAS, the Authority obtained a Judgment of Validation in an action entitled *California Home Finance Authority doing business as Golden State Finance Authority v. All Persons, etc.* (Sacramento County Superior Court Case No. 34-2015-00174212) validating the District and the special tax, contracts, obligations or evidences of indebtedness arising out of the establishment and implementation of the District, and determining all matters, agreements and procedures related thereto are in all respects legal, valid and binding; and

WHEREAS, Assembly Bill 2618, which took effect on January 1, 2017, now authorizes a community facilities district formed pursuant to Section 53328.1 to finance facilities pursuant to subdivision (i) of Section 53313.5;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Golden State Finance Authority as follows:

Section 1. Recitals Are True and Correct. The above recitals are true and correct, and the Board so finds and determines.

Section 2. Additional Authorized Improvements. Pursuant to Resolution 2014-07, the Board previously authorized the levy of a special tax to finance or refinance the Authorized Improvements approved for a parcel. This authorization shall include the levy of a special tax to finance or refinance the seismic improvements and facilities listed in subdivision (i) of Government Code section 53313.5 as among the “Authorized Improvements.”

Section 3. Affirmation of Prior Approvals. Pursuant to Resolution No. 2014-07, the Board previously approved the proposed form of Unanimous Approval Agreement and Assignment Agreement, and such approvals are hereby re-affirmed to include any changes to such documents, or any other District documents and informational materials, necessitated by the addition of seismic improvements as Authorized Improvements that may be financed with the proceeds of special taxes levied by the District. Such prior approval is hereby re-affirmed.

Section 4. Official Actions. The Executive Director, or his designee, is hereby authorized and directed, for and in the name and on behalf of GSFA, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, agreements, notices, consents, instruments of conveyance, warrants and other documents, which he or his designee, may deem necessary or advisable in order to implement the District’s program.

Section 5. Authorization to File Application for Amendment to Validation Judgment. The Authority’s special counsel, Best, Best & Krieger LLP, is hereby authorized and directed to file and prosecute on the Authority’s behalf, an amendment to the Judgment of Validation entered into in the matter of *California Home Finance Authority dba Golden State Finance Authority v. All Persons, etc.* (Sacramento County Superior Court Case No. 34-2015-00174212) that all procedures taken by the Authority with respect to the addition of seismic improvements as Authorized Improvements that may be financed with the proceeds of special taxes levied by the District, are in all respects proper, legal, valid and binding.

Section 6. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Golden State Finance Authority held on _____, 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chair

ATTEST:

Secretary of the Board



To: GSFA Executive Committee
From: Greg Norton, Executive Director
Lisa McCargar, Chief Financial Officer
Date: February 7, 2017
Re: GSFA 2017 Investment Committee - **ACTION**

Summary

The Investment Committee is responsible for overseeing the investment activity of GSFA and annually presents the Investment Policy to the Board for review and approval.

Issue

The Investment Committee previously consisted of the GSFA Executive Director, Deputy Director, and Chief Financial Officer. As a result of the Deputy Director Patricia Megason retiring, it is recommended that the newly named Deputy Director, Craig Ferguson, become the third Investment Committee member.

Recommendation

It is recommended that the GSFA Executive Committee approve Craig Ferguson as a member of the Investment Committee.

DELEGATE EXPENSE CLAIM

Name _____

County _____

Phone Number _____

Purpose of Trip, Details and Remarks: _____

Month/Year		LOCATION (Where Expenses Were Incurred)	LODGING	MEALS			MILEAGE POV @ \$0.53.5/ mile		TRANSPORTATION, FEE or OTHER EXPENSE		TOTAL EXPENSES
				Breakfast	Lunch	Dinner	Miles	Amount	Description of Expense	Amount	

Provide documentation for expenses as required in the Travel and Expense Policy for Delegates. Mileage expenses may not exceed \$0.53.5 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. Receipts for ALL requested reimbursements must be attached to this expense claim.

Supervisor's Signature _____

Mail Payment To:

Name: _____

Address: _____

City, Zip: _____

Office Use Only:

Approved By: _____

G / L Code: _____

Amount: _____

