

**Golden State Finance
Authority (GSFA)
Board of Directors Meeting**



**Wednesday, September 16, 2020
11:30 a.m.**

**1215 K Street, Suite 1650
Sacramento, California 95814**

Golden State Finance Authority (GSFA)
Board of Directors Meeting
Friday, September 16, 2020
11:30 a.m.
1215 K Street Suite 1650
Sacramento, CA 95814

In accordance with Executive Orders N-25-20 and N-29-20, the September 16, 2020 GSFA Board of Directors meeting will be held virtually.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

The September 16, 2020 GSFA Board of Directors Meeting will be facilitated virtually through Zoom. Members of the public can watch or listen to the meeting using one of the following methods:

1. Join the Zoom meeting application on your computer, tablet or smartphone:

Go to: <https://rcrcnet.zoom.us/j/93301164740?from=msft>

Enter Password: 170462

2. Call-in and listen to the meeting:

Dial +1 (669) 900-9128

Enter meeting ID: 933 0116 4740

Enter password: 170462

PUBLIC COMMENT USING ZOOM: Members of the public who join the Zoom meeting, either through the Zoom app or by calling in, will be able to provide live public comment at specific points throughout the meeting.

EMAIL PUBLIC COMMENT: One may also email public comment to mdemelo@rcrcnet.org before or during the meeting. All emailed public comments will be forwarded to all GSFA Board of Directors members.

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation or an alternative format to assist you in observing and commenting on this meeting, or an alternative agenda document format, please contact GSFA at (916) 447-4806 or by email at mdemelo@rcrcnet.org by 11:30 a.m. Tuesday, September 15th to ensure arrangements for accommodation.

AGENDA

1. Call to Order & Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County

Vice Chair, Supervisor Bob Williams, Tehama County

2. Approval of Minutes – August 12, 2020 Board Meeting

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

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3. Member County Concerns

4. Public Testimony

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.

5. Financial Update

Milena De Melo, RCRC Controller

6. GSFA Program Investment – ACTION

Craig Ferguson, Deputy Director

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7. Program Updates

Craig Ferguson

8. Economic Development Activity Updates

a. Golden State Natural Resources Update

Greg Norton, Executive Director

b. Golden State Natural Resources acceptance of Golden State Finance Authority \$10 million Revolving Loan – Information Only

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Lisa McCargar, Chief Financial Officer

c. Rural Broadband Update

i. GSFA Resolution No. 20-09 - Resolution Authorizing Delegation of Authority to GSFA Executive Committee for Matters Related to Federal Communication Auction 904 - ACTION

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Barbara Hayes, RCRC Chief Economic Development Officer

9. 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 participant in a public meeting, please call Milena De Melo 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.



**Golden State Finance Authority
Board of Directors Meeting
August 12, 2020
11:00 a.m.
1215 K Street, Suite 1650
Sacramento CA 95814**

MINUTES

Call to Order & Determination of Quorum

The meeting was called to order at 11:32 a.m. by Chair, Supervisor Kevin Cann, Mariposa County. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
David Griffith	Alpine
Doug Teeter	Butte
Jack Garamendi	Calaveras
Denise Carter	Colusa
Gerry Hemmingsen	Del Norte
Lori Parlin	El Dorado
John Viegas	Glenn
Rex Bohn	Humboldt
Michael Kelley	Imperial
Matt Kingsley	Inyo
Eddie Crandall	Lake
Aaron Albaugh	Lassen
Kevin Cann	Mariposa
Carre Brown	Mendocino
Daron McDaniel	Merced
Geri Byrne	Modoc
Stacy Corless	Mono
Chris Lopez	Monterey
Diane Dillon	Napa
Dan Miller	Nevada
Les Baugh	Shasta
Mat Conant	Sutter
Bob Williams	Tehama
Jeremy Brown	Trinity
Kuyler Crocker	Tulare
Randy Fletcher	Yuba

Absent

Brian Oneto	Amador
David Rogers	Madera

Jim Holmes	Placer
Kevin Goss	Plumas
Anthony Botelho	San Benito
Lynn Compton	San Luis Obispo
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Lynda Hopkins	Sonoma
Sherri Brennan	Tuolumne
Gary Sandy	Yolo

Officers in Attendance

Greg Norton, Executive Director
 Craig Ferguson, Deputy Director
 Lisa McCargar, Chief Financial Officer

Others in Attendance

Paul A. Smith, RCRC Vice President Governmental Affairs
 Barbara Hayes, RCRC Chief Economic Development Officer
 Arthur Wylene, RCRC General Counsel
 Mary-Ann Warmerdam, RCRC Senior Legislative Advocate
 Tracy Rhine, RCRC Legislative Advocate
 Staci Heaton, RCRC Senior Regulatory Affairs Advocate
 John Kennedy, RCRC Legislative Advocate
 Leigh Kammerich, RCRC Legislative Analyst
 Maggie Chui, RCRC Senior Governmental Affairs Coordinator
 Milena De Melo, RCRC Controller
 Sarah Bolnik, RCRC Economic Development Specialist
 Terrance Rodgers, RCRC Economic Development Officer
 Layne Frederiksen, RCRC IT Manager
 Dorothy Poole, RCRC External Affairs Coordinator
 Crystal Crawford, Ygrene Energy Fund

Approval of Minutes – June 17, 2020 Board Meeting

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

Supervisor Mat Conant, Sutter County, motioned to approve the minutes of the June 17, 2020 GSFA Board of Directors Meeting. Supervisor David Griffith, Alpine County, seconded the motion. Motion unanimously passed with a roll call.

AYE: Alpine, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Shasta, Sutter, Tehama, Trinity, Tulare, Yuba

NAY: None

ABSTAIN: None

ABSENT: Amador, Madera, Placer, Plumas, San Benito, San Luis Obispo, Sierra, Siskiyou, Sonoma, Tuolumne, Yolo

Member County Concerns

Supervisor Diane Dillon, Napa County asked the impact of Greg's resignation as CEO of RCRC on GSFA. Chair Kevin Cann, Mariposa County noted that RCRC Chair Daron McDaniel, Merced County planned to provide an update the RCRC Board as to the impact and deferred to that discussion. He also noted that the President of RCRC automatically serves as chief executive of the affiliated entities, including GSFA. Arthur Wylene, General Counsel confirmed.

Supervisor Dillon asked for a timeframe for replacement and a plan of action. Again, Chair Cann deferred to the RCRC Chair, Supervisor McDaniel discussion with RCRC Board of Directors. Supervisor and RCRC Chair, McDaniel confirmed that this will be included in his update to the RCRC Board of Directors.

Public Testimony

None

GSFA Resolution 20-08: Revising the Revolving Loan Fund Eligibility Criteria for Public Projects in Member Counties – ACTION

Craig Ferguson referred to June 17, 2020 Board of Directors meeting whereby the Board approved Resolution 20-06, Authorizing the Implementation of a Revolving Loan Fund to Support Short Term Loans for Member Counties. Subsequent to the approval it was identified that the language in that resolution as it was written included certain limitations that were not intended. Resolution 20-08 looks to broaden the eligibility for these loans to include other public entities, agencies and municipalities located within member counties. Currently, GSFA has one such loan with an agency within Siskiyou County. The approval for this loan falls within Greg's broad approval under the GSFA Budget.

Recommendation:

- It is recommended that the GSFA Board of Directors review and approve GSFA Resolution 20-08: Revising the Revolving Loan Fund Eligibility Criteria for Public Projects in Member Counties

Supervisor David Griffith, Alpine County, motioned to approve the GSFA Resolution 20-08: Revising the Revolving Loan Fund Eligibility Criteria for Public Projects in Member Counties. Supervisor Stacy Corless, Mono County, seconded the motion. Motion unanimously passed with a roll call.

AYE: Alpine, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Shasta, Sutter, Tehama, Trinity, Tulare, Yuba

NAY: None

ABSTAIN: None

ABSENT: Amador, Placer, Plumas, San Benito, San Luis Obispo, Siskiyou, Sonoma, Sutter, Tuolumne, Yolo

Other Budget Matters / “Business Decisions” Report – Information Only

Greg Norton provided an update on other budget matters and business decisions. Greg referred to the authority granted to him through the approval of GSFA’s annual budget and noted all decision that impact GSFA are done so in consultation with Deputy Director, Chair and Vice Chair of the Board of Directors. He provided a financial update on Golden State Natural Resources (GSNR), Revolving Loan Fund and Broadband.

Regarding GSNR, Supervisor Garamendi inquired about the total investment into GSNR to date, to include hard costs and staff time.

Supervisor Griffith asked for clarification to Resolution 20-07 in staff memo and if that reference needs to be changed to 20-08. Greg and Arthur Wylene agreed that the reference in the memo should be Resolution 20-08.

Program Updates

Craig Ferguson provided an update on the existing Housing and Energy Programs. The interest only and other GSFA programs have seen increased activity in the past four months due to low interest rates.

Economic Development Activity Update

a. Golden State Natural Resources

Mr. Norton provided an update on GSNR. Progress has been made on completion of key foundational steps in the pre-development phase of the project. The GSNR Board of Directors will be convening on Friday, August 14. The first phase of pre-development is nearing completion, that of information gathering. Mr. Norton stated the project is approaching the stage of key decision points that will need to be made with the direction of the GSNR Board.

Chair Cann reminded the Board that any member of the RCRC or GSFA Board is welcome to attend GSNR Board meetings.

b. Rural Broadband Update

Barbara Hayes noted that in line with the Board’s approval of Resolution 20-05 during the June 2020 Board of Directors meeting, GSFA submitted a Rural Digital Opportunity Fund (RDOF) Short Form application as a member of the RDOF USA Consortium on July 14, 2020. It was emphasized that while the Short Form has been filed, a lot of work remains to be done before a decision can be made on whether or how GSFA will participate in the RDOF Reverse Auction. Ms. Hayes reminded the Board that the submission of a Short Form application does not obligate an applicant, such as GSFA, to compete for

RDOF funds, but without filing a Short Form application, the applicant is not eligible/permitted to compete for RDOF funds.

In addition to laying the groundwork for development of an RDOF bidding strategy, work continues on development of a 37-countywide broadband deployment plan and financial model, outreach to CPUC Consortium partners and local economic development professionals, development of a communications message platform, and legislative and regulatory lobbying that would enable GSFA to establish a municipal broadband utility network. All the talent and resources across the organization are being tapped to effectively and efficiently evaluate and, if approved, implement a rural broadband program to serve our member counties.

Ms. Hayes noted that there are important items to remember as the evaluation and foundation work is being done:

- The work around rural broadband that is currently being undertaken is being driven by timelines that are outside of our control – and they are coming up quickly. Information gathering and decision-making will need to happen quickly.
- COVID-19 has illuminated the chasm that exists between the have and the have-nots, as it relates to broadband – nationally and in California.
- There is no obligation to pursue RDOF or CASF if everything does not align in a manner that enables the execution of a rural broadband program with the confidence of fiscal soundness and legal safeguards.
- We will need the support of the Board at a point in the near future. We may need:
 - Legislative Support – letter and/or meetings with legislative/regulatory leaders
 - Communications Support – your voices in support of a municipal utility program
 - Programmatic Support – your guidance with design and implementation; as a local champion

For the moment this support is not needed, but when needed, you will all be asked to assist.

Supervisor Dillon asked for the timeline for such actions. Ms. Hayes noted that decisions will need to be made in the next 30-45 days related to if and how to proceed.

Supervisor Griffith noted that Alpine county is a member of two consortium related to broadband expansion, however had doubt about the level of influence they have. Ms. Hayes noted that she was aware of the consortium situation and will be reaching out to Supervisor Griffith for assistance.

Supervisor Fletcher added that he supports the work from staff and offered his assistance in helping GSFA advance the broadband agenda forward.

Supervisor Garamendi referenced work being done by PG&E to update wire safety and asked if broadband expansion could be incorporated into this line work. Ms. Hayes noted that she is aware of both PG&E and Southern California Edison's work in this regard and has been in touch with both utilities. This is an aspect of the project that will be considered for implementation.

Chair Cann thanked the staff for their diligent work in supporting member counties.

Adjournment

GSFA Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Board of Directors at 12:24 p.m.



To: GSFA Board of Directors
From: Craig Ferguson, Deputy Director
Date: September 10, 2020
Re: GSFA Program Investment - **ACTION**

Summary

GSFA continues to pursue efforts to enhance the existing down payment assistance (DPA) program/s. The board previously approved up to \$20MM of existing resources toward an investment into its DPA program. As discussed at prior board meetings, the program is proving to be very successful and therefore it would be beneficial to request additional existing resources to continue the success of the program.

It is requested that GSFA commit an additional \$10MM of existing resources to provide DPA in the form of second mortgage loans in conjunction with the existing DPA program/s.

GSFA would be investing resources into program/s that originally generated these resources. Reinvestment of these resources is in line with GSFA's mission and public purpose. Further, with origination, the pricing structure and controls are expected to generate resources sufficient to provide a reasonable return on investment and to protect the investment while meeting GSFA's mission to assist homebuyers.

Recommendation

It is recommended the GSFA Board of Directors approve an additional commitment of up to \$10MM of existing resources to provide DPA in the form of second mortgage loans in conjunction with the existing DPA program/s.

To: GSFA Board of Directors

From: Lisa McCargar, Chief Financial Officer

Date: September 10, 2020

Re: Golden State Natural Resources acceptance of Golden State Finance Authority \$10 million Revolving Loan – **Information Only**

Summary

On March 11, 2020, the Golden State Finance Authority (GSFA) Board of Directors adopted Resolution No. 20-03, which approved a loan of up to \$10 million from GSFA to Golden State Natural Resources (GSNR) to finance program activities and meet cash flow requirements during the pre-development phase of GSNR's forest resiliency program. As a condition for approval, GSFA Board of Directors indicated that GSNR Board of Directors approval and acceptance of the loan would follow the review and approval of GSNR's budget and business plan.

The GSFA Board further directed that, as a condition precedent to the first advance under the loan, the GSNR Board of Directors must approve reimbursement of GSFA for amounts expended by GSFA in furtherance of the GSNR program in excess of the 2020 approved GSFA budget.

As approved by the GSFA Board, the offered loan has the following basic terms:

- \$10,000,000 maximum principal amount, which may be disbursed through draws of \$500,000 or more.
 - Draws would be based on program needs, with careful consideration of both program progress and fiscal risk.
 - Loan is revolving, allowing for draws as long as maximum does not exceed \$10,000,000 principal outstanding.
- Interest rate for each draw based on the Secured Overnight Financing Rate (SOFR) on the date of the draw, plus 2.00% (not less 3% or more than 7% per annum).
 - SOFR is the designated successor to LIBOR for U.S. dollar loans. The 2.00% spread was determined through review of the commercial financing

terms disclosed in recent applications to the California Tax Credit Allocation Committee.

- Maximum term of 10 years. Principal and interest payments may be deferred through the term of the loan or may be pre-paid at any time without penalty.
- Loan is secured through a priority "blanket lien" on all assets and revenues acquired by GSNR during the term of the loan.
- Other terms and conditions consistent with loans previously made by GSFA to NHF (including one-time \$15,000 origination fee).

On September 9, 2020, GSNR Board of Directors adopted a recommendation to approve a resolution accepting a loan of up to \$10 million from GSFA, after reviewing and approving GSNR's budget and business plan.

This memorandum serves as an informational item to report back to the GSFA board that the GSNR Board has accepted the loan terms, as presented.

To: GSFA Board of Directors

From: Barbara Hayes, RCRC Chief Economic Development Officer
Craig Ferguson, Deputy Director

Date: September 10, 2020

Re: GSFA Resolution 20-09: Authorizing Delegation of Authority to GSFA
Executive Committee for Matters Related to Federal Communication
Commission Auction 904 - **ACTION**

Summary

At the June 17, 2020 GSFA Board of Directors meeting, the Board adopted Resolution No. 20-05, authorizing submission of the Short Form application to the Federal Communication Commission for participation in the Rural Digital Opportunity Fund (RDOF) Program. Participation in the RDOF Program culminates in a nationwide Reverse Auction (Auction 904) competition for funds that commences on October 29, 2020. While not obligated to participate in Auction 904 through the filing of the Short Form application, should the decision be made to do so, specific deadlines and requirements may not allow for the timely review and approval of key actions by the GSFA Board.

To facilitate the review and approval process, it is recommended that the GSFA Board approve a resolution that grants the authority for such review and approval of actions to the GSFA Executive Committee. The authority to delegate this Authority is granted in Section 7.g. of the Amended and Restated Joint Exercise of Powers Agreement (the "JPA Agreement") which provides that the Board has the authority, by resolution, to delegate any of its functions to the Executive Committee.

Review and approval may be sought on any or all of the following:

- applications for acceptance of grant or loan funding for the financing, construction, or operation of broadband infrastructure in member counties,
- the parameters for any bids submitted by the Authority during Auction 904,
- formation of one or more nonprofit corporations to facilitate operation of broadband infrastructure funded in whole or in part through Auction 904, and submission of application(s) for exemption from income taxation on behalf of such corporation(s),
- submission of an application to the California Public Utilities Commission for a Certificate of Public Convenience and Necessity on behalf of the Authority of a nonprofit corporation formed by the Authority,

- the Authority to extend funding to a nonprofit corporation formed by the Authority, not to exceed \$100,000, as necessary to meet financial qualifications for a Certificate of Public Convenience and Necessity, and/or,
- review and approve revenue bonds, conduit financing, or similar financing to be issued by the Authority for the construction, acquisition, improvement and/or rehabilitation of real property with respect to broadband infrastructure projects funded in whole or in part through Auction 904, in furtherance of the purposes of the Authority.

Recommendation:

It is recommended that the GSFA Board review and approve GSFA Resolution 20-09 authorizing the delegation of necessary authority to the GSFA Executive Committee for all matters requiring governing board review and approval related to Auction 904.

Attachment:

- GSFA Resolution 20-09

GSFA RESOLUTION NO. 20-09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GOLDEN STATE FINANCE AUTHORITY AUTHORIZING THE EXECUTIVE COMMITTEE TO TAKE ANY ACTIONS ON BEHALF OF THE AUTHORITY THAT ARE NECESSARY AND PROPER TO ALLOW THE AUTHORITY TO OBTAIN AND EXPEND FUNDING FROM THE FEDERAL COMMUNICATION COMMISSION'S RURAL DEVELOPMENT OPPORTUNITY FUND AUCTION 904

WHEREAS, on June 17, 2020, the Board of Directors adopted Resolution No. 20-05, authorizing submission of a short form application to participate in the Federal Communication Commission's Rural Development Opportunity Fund ("RDOF") Auction 904; and

WHEREAS, Auction 904 is scheduled to commence on October 29, 2020; and

WHEREAS, specific deadlines and requirements associated with participation in Auction 904 may not allow for timely review and approval by the GSFA Board, and therefore the Board desires to delegate the necessary approval authority to the Executive Committee; and

WHEREAS, Section 7.g. of the Amended and Restated Joint Exercise of Powers Agreement (the "JPA Agreement") for the Authority provides that the Board has the authority, by resolution, to delegate any of its functions to the Executive Committee; and

NOW THEREFORE BE IT RESOLVED that the Executive Committee is hereby authorized and directed to take any actions on behalf of the Authority that are necessary and proper to allow the Authority to obtain and expend funding through Auction 904, including, without limitation any or all of the following:

- Approve applications for and acceptance of grant or loan funding for the financing, construction, or operation of broadband infrastructure in member counties.
- Review and approve the parameters for any bids submitted by the Authority during Auction 904.
- Authorize formation of one or more nonprofit corporations to facilitate operation of broadband infrastructure funded in whole or in part through Auction 904, and submission of application(s) for exemption from income taxation on behalf of such corporation(s).
- Authorize assignment of any winning bids obtained by the Golden State Finance Authority during Auction 904 to an eligible nonprofit corporation formed by the Authority.
- Authorize submission of an application to the California Public Utilities Commission for a Certificate of Public Convenience and Necessity on behalf of the Authority or a nonprofit corporation formed by the Authority.

- Authorize the Authority to extend funding to a nonprofit corporation formed by the Authority, not to exceed \$100,000, as necessary to meet financial qualifications for a Certificate of Public Convenience and Necessity.
- Review and approve revenue bonds, conduit financing, or similar financing to be issued by the Authority for the construction, acquisition, improvement and/or rehabilitation of real property with respect to broadband infrastructure projects funded in whole or in part through Auction 904, in furtherance of the purposes of the Authority.

PASSED APPROVED AND ADOPTED by the Board of Golden State Finance Authority, the 16th day of September 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Golden State Finance Authority

2020 Chair of the Board

I certify that the foregoing resolution is a true and accurate copy of GSFA Resolution No. 20-09, approved by the governing board of the Golden State Finance Authority on September 16, 2020 in Sacramento, California.

Date: September 16, 2020

Assistant Secretary