

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



**February 10, 2021
11:00 A.M.**

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

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

February 10, 2021 – 11:00 a.m.

In accordance with Executive Orders N-25-20 and N-29-20, the February 10, 2021 GSFA Executive Committee meeting will be held virtually.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

The February 10, 2021 GSFA Executive 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/96993529028?from=addon>

Enter Password: 171692

2. Call-in and listen to the meeting:

Dial +1 (669) 900-9128

Enter meeting ID: 969 9352 9028

Enter password: 171692

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 Executive Committee 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 11:00 a.m. Tuesday, February 9th to ensure arrangements for accommodation.

Executive Committee Members:

Supervisor Bob Williams, Tehama County
Supervisor Daron McDaniel, Merced County
Supervisor Stacy Corless, Mono County
Supervisor Dan Miller, Nevada County
Supervisor Doug Teeter, Butte County

Supervisor Jack Garamendi, Calaveras County
Supervisor Denise Carter, Colusa County
Supervisor Gerry Hemmingsen, Del Norte County
Supervisor Michael Kelley, Imperial County
Supervisor Lee Adams, Sierra County

Agenda

I. Call to Order and Determination of Quorum

Chair, Supervisor Bob Williams, Tehama County

II. Approval of Minutes of the November 18, 2020 Meeting

(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)

Lisa McCargar, Chief Financial Officer

Milena De Melo, RCRC Controller

a. GSFA Condensed Balance Sheet Report (December 31, 2020)

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b. GSFA Investment Report (December 31, 2020)

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c. GSFA Budget vs. Actual Report (December 31, 2020)

Page 9

V. Program Investment – Action

Page 11

Craig Ferguson, Deputy Director

VI. Program Updates (Discussion and possible action relative to)

Craig Ferguson

VII. Economic Development Update

Greg Norton, Executive Director

Barbara Hayes, RCRC Chief Economic Development Officer

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 Milena De Melo 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, 2020 – 12:30 p.m.

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County
Supervisor Daron McDaniel, Merced County
Supervisor Stacy Corless, Mono County
Supervisor Dan Miller, Nevada County
Supervisor Matt Kingsley, Inyo County

Supervisor Gerry Hemmingsen, Del Norte County
Supervisor Lee Adams, Sierra County
Supervisor Denise Carter, Colusa County
Supervisor Jack Garamendi, Calaveras County
Supervisor Bob Williams, Tehama County
Supervisor Kuyler Crocker, Tulare 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 1:18 p.m. A quorum was determined at that time; those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
Jack Garamendi	Calaveras
Denise Carter	Colusa
Gerry Hemmingsen	Del Norte
Kevin Cann	Mariposa
Daron McDaniel	Merced
Stacy Corless	Mono
Dan Miller	Nevada
Bob Williams	Tehama
Kuyler Crocker	Tulare

Absent Members

Matt Kingsley	Inyo
Lee Adams	Sierra

Others in Attendance

Greg Norton, Executive Director
Craig Ferguson, Deputy Director
Lisa McCargar, Chief Financial Officer
Barbara Hayes, RCRC Chief Economic Development Officer
Arthur Wylene, RCRC General Counsel
Paul Smith, RCRC Senior Vice President
Milena, De Melo, RCRC Controller
Maggie Chui, RCRC Senior Governmental Affairs Coordinator
Elizabeth Jensen, RCRC Assistant Controller

Sanjay Lee, RCRC Financial Analyst
John Kennedy, RCRC Legislative Advocate
Traci Rhine, RCRC Legislative Advocate
Staci Heaton, RCRC Senior Regulatory Advocate

Approval of Minutes of the October 14, 2020 Meeting

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

Supervisor Daron McDaniel, Merced County, motioned to approve the minutes of the October 14, 2020 GSFA Executive Committee Meeting. Supervisor Dan Miller, Nevada County, seconded the motion. Motion passed with a roll call.

AYE: Calaveras, Colusa, Del Norte, Mariposa, Merced, Mono, Nevada, Tehama, Tulare

Nay: None

Abstain: None

Absent: Inyo, Sierra

Approval of Minutes of the October 28, 2020 Special Meeting

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

Supervisor Dan Miller, Nevada County, motioned to approve the minutes of the October 28, 2020 GSFA Executive Committee Special Meeting. Supervisor Daron McDaniel, Merced County, seconded the motion. Motion passed with a roll call.

AYE: Colusa, Del Norte, Mariposa, Merced, Mono, Nevada, Tehama, Tulare

Nay: None

Abstain: Calaveras

Absent: Inyo, Sierra

Public Comment

None

Quarterly Budget and Investment Reports for GSFA

Milena De Melo, RCRC Controller and Lisa McCargar, Chief Financial Officer, presented the Quarterly Condensed Balance Sheet, Investment Report and Budget Report for the period ending September 30, 2020.

GSFA 2021 Proposed Budget

Milena De Melo, RCRC Controller and Lisa McCargar, Chief Financial Officer reviewed the 2021 proposed budget for GSFA with the Executive Committee, including the recommendations below.

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 2021 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 GSFA Deputy Director, 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 GSFA Deputy Director, 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 \$5,508,000 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, RCRC Chief Operating / Chief Financial Officer and RCRC Senior Vice President, and estimated performance fee in the amount of \$2,215,000.

Supervisor Stacy Corless, Mono County, motioned to approve the recommendations listed above. Supervisor Bob Williams, Tehama County, seconded the motion. Motion passed with a roll call.

AYE: Calaveras, Colusa, Del Norte, Mariposa, Merced, Mono, Nevada, Tehama, Tulare

Nay: None

Abstain: None

Absent: Inyo, Sierra

Program Updates

Craig Ferguson provided an update on the current GSFA programs to the Executive Committee.

Economic Development Updates

Golden State Natural Resources

Greg Norton provided an update on Golden State Natural Resources (GSNR). Mr. Norton reminded the committee that GSNR has closed on its first property in Tuolumne County. The project team, in conjunction with external service providers, continues to work on port and site assessments, offtake agreements, and other key items.

Broadband Update

Barbara Hayes, RCRC Chief Economic Development Officer, provided an update on Broadband noting that the Federal Communication Commission's Rural Development Opportunity Fund (RDOF) reverse auction is ongoing, and updates will be provided as more information becomes known. Efforts are ongoing in establishment of a new 501(c)(3) to execute broadband initiatives including drafting bylaws and establishing a five-member Board.

Adjournment

Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Executive Committee at 2:00 p.m.



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

To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: February 4, 2021
Re: GSFA Condensed Balance Sheet (December 31, 2020)

Summary

The Condensed Balance Sheet provides an overview of the Net Position of GSFA as of December 31, 2020, compared to audited Net Position as of December 31, 2019 and 2018.

Attachment

- GSFA Condensed Balance Sheet, as of December 31, 2020.

Golden State Finance Authority
Condensed Balance Sheet (Unaudited)
December 31, 2020

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Current Assets			
Cash in Banks *	\$ 10,553,884	\$ 10,002,362	\$ 10,780,659
Cash in CalTRUST and LAIF	5,281,468	69,020,903	20,074,204
Cash in Securities Brokerage Account	64,406,257	8,703,987	62,803,628
Accounts Receivable and Other Assets	759,096	974,932	558,592
Accounts Receivable, Proceeds from Sale of Securities **	151,806,488	8,346,153	66,511,329
Energy Loans Receivable	5,335,977	6,406,427	7,660,887
SGIP Program Loans Receivable	163,525	-	-
Multi Family Notes Receivable	3,200,000	3,200,000	3,200,000
Notes Receivable - Affiliate Entity	2,000,000	-	-
Revolving Loans Receivable	136,856	-	-
Second Mortgages Receivable, less Loan Loss Allowance ***	19,289,719	3,256,223	2,699,463
Total Assets	\$ 262,933,270	\$ 109,910,987	\$ 174,288,763
Current Liabilities			
Accounts Payable	\$ 5,232,251	\$ 2,398,928	\$ 3,048,523
Accounts Payable, Securities to be Purchased, at Fair Value **	153,153,438	8,346,934	66,907,273
Accounts Payable to California Energy Commission	10,234,209	10,159,463	12,539,526
Accounts Payable to Affiliated Entities	1,476,361	1,154,144	1,481,576
Unearned Revenue	-	185,912	406,274
Total Liabilities	\$ 170,096,259	\$ 22,245,382	\$ 84,383,173
Net Position, unrestricted	\$ 92,837,011	\$ 87,665,605	\$ 89,905,590

* Includes \$5,492,945, \$4,749,134, and \$6,077,260, as of December 31, 2020, December 31, 2019, and December 31, 2018, respectively, of funds belonging to California Energy Commission and PG&E.

** Balances offset each other for a net impact on Statement of Revenues, Expenses, and Changes in Net Position of (\$1,346,950), (\$781), and (\$395,944) as of December 31, 2020, December 31, 2019, and December 31, 2018, respectively.

*** Loan loss allowance of \$375,000 as of December 31, 2020, and \$200,000 as of December 31, 2019 and December 31, 2018, for all types of mortgages has been included as a reduction of amounts outstanding.



To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: February 4, 2021
Re: Investment Report for the Period Ended December 31, 2020

Summary

In accordance with GSFA's investment policy, we are providing the GSFA investment report. This report provides a summary of investment transactions since last reported from December 31, 2019 to December 31, 2020. Investment returns by investment type and a comparison to the 90-day Treasury Rate for the most recent period of December 31, 2020 have been included.

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

Attachment

- GSFA Investment Report for the Period Ended December 31, 2020

GOLDEN STATE FINANCE AUTHORITY
Investment Report
For the Period Ended December 31, 2020

	Total	CalTRUST Short-Term	CalTRUST Medium-Term	LAIF
Balance 12/31/2019 *	\$ 69,334,947	\$ 7,909,497	\$ 12,714,621	\$ 48,710,828
Additions	-	-	-	-
Withdrawals	(5,000,000)	-	-	(5,000,000)
Interest (includes accrued)	327,402	35,414	60,673	231,315
Capital Gain/(Loss)	102,435	(23,703)	126,139	-
Balance 3/31/2020 *	64,764,784	7,921,208	12,901,433	43,942,143
Additions	-	-	-	-
Withdrawals	-	-	-	-
Interest (includes accrued)	51,199	16,460	34,739	-
Capital Gain/(Loss)	189,944	63,262	126,682	-
Balance 5/31/2020 *	\$ 65,005,927	\$ 8,000,929	\$ 13,062,855	\$ 43,942,143
Additions	-	-	-	-
Withdrawals	(30,000,000)	(5,000,000)	-	(25,000,000)
Interest (includes accrued)	267,781	11,546	52,915	203,319
Capital Gain/(Loss)	17,605	4,936	12,669	-
Balance 9/30/2020 *	\$ 35,291,313	\$ 3,017,411	\$ 13,128,440	\$ 19,145,462
Additions	-	-	-	-
Withdrawals	(30,000,245)	(2,000,745)	(12,283,500)	(15,716,000)
Interest (includes accrued)	10,817	1,716	2,338	6,763
Capital Gain/(Loss)	(12,746)	-	(12,746)	-
Balance 12/31/2020 *	\$ 5,289,139	\$ 1,018,382	\$ 834,531	\$ 3,436,226

Yield:	Reported as of December 31, 2020		
	Short-Term	Mid-Term	LAIF
Annualized One Year	1.09%	1.35%	N/A
Quarter to Date	N/A	N/A	0.58%
Average Maturity (days)	277	694	165
90 Day Treasury Bill Rate	0.09%		

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 within 72 hours.

No members of the Investment Committee have any conflict of interest with any current investment firms.
 * Amounts shown include accrued interest at the end of the period.

Purpose of transactions in excess of \$1 million:

- Q1: \$5 million transfer from LAIF to GSFA's operating account to support increased housing program as approved by the GSFA Board of Directors.

- Q3: \$25 million transfer from LAIF to GSFA's investment account at Raymond James to support increased housing program as approved by the GSFA Board of Directors.

- Q3: \$5 million transfer from CalTRUST to GSFA's operating account to support increased housing program as approved by the GSFA Board of Directors.

- Q4: During the quarter GSFA released the "Building Funds" from reserve designation within CalTRUST by liquidating the funds as follows:

- Short-Term Building Fund - with a balance of \$744.86, and
- Mid-Term Building Fund - with a balance of \$8,783,500.08

This was previously shared with the Executive committee on October 8, 2020. The funds were moved to GSFA's investment account at Raymond James to support increased housing program as approved by the GSFA Board of Directors.

- Q4: \$5.5 million transfer from CalTRUST (both Short-Term and Mid-Term funds) to GSFA's operating account to support increased housing program as approved by the GSFA Board of Directors.

- Q4: \$15.7 million transfer from LAIF to GSFA's investment account at Raymond James to support increased housing program activity as approved by the GSFA Board of Directors.



To: GSFA Executive Committee
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: February 4, 2021
Re: GSFA Budget vs. Actual Report (December 31, 2020)

Summary

The Statement of Revenues and Expenses for GSFA provides a budget to actual comparison for the year ended December 31, 2020.

Attachment

- GSFA Statement of Revenues and Expenses, Budget vs. Actual, for the Year Ended December 31, 2020.

GOLDEN STATE FINANCE AUTHORITY
2020 BUDGET vs. ACTUAL
December 31, 2020

	Year Ended December 31, 2020 Budget	Year Ended December 31, 2020 Actual	Variance Favorable / (Unfavorable)	Percent Favorable/ (Unfavorable)
Income:				
Housing Program Revenue	\$ 12,538,750	\$ 28,381,099	\$ 15,842,349	126.3%
Energy Program Revenue	600,000	860,517	260,517	43.4%
Grant Reimbursed Costs	200,000	192,318	(7,682)	-3.8%
Interest and Dividend Income	850,000	705,360	(144,640)	-17.0%
Capital Gains / (Losses)	20,000	297,238	277,238	1386.2%
Ongoing Issuer Fees	85,000	71,399	(13,601)	-16.0%
2nd Mortgage Interest	200,000	145,688	(54,312)	-27.2%
Bond & Program Residual Funds	1,500	58,516	57,016	3801.1%
Miscellaneous Income	-	15,000	15,000	100.0%
Total Income	\$ 14,495,250	\$ 30,727,135	\$ 16,231,885	112.0%
Expenditures:				
Accounting & Auditing	\$ 40,000	\$ 45,546	\$ (5,546)	-13.9%
Bank Fees	1,000	378	622	62.2%
Bus Dev & Expansion	200,000	116,054	83,946	42.0%
CDLAC fees	100,000	-	100,000	100.0%
Custodian/Trustee	30,000	14,900	15,100	50.3%
Consultants	415,000	286,928	128,072	30.9%
Contract Performance Fee	1,629,000	1,285,800	343,200	21.1%
Dues, Fees & Subscriptions	20,000	15,711	4,289	21.4%
Grant Cost	200,000	192,318	7,682	3.8%
Grant Fund - CA Disaster Assistanc	-	-	-	0.0%
Insurance	41,000	52,808	(11,808)	-28.8%
Legal Fees	200,000	33,790	166,210	83.1%
Loan Losses	80,000	170,648	(90,648)	-113.3%
Miscellaneous	-	6,226	(6,226)	0.0%
Energy Servicing Programs	180,000	203,700	(23,700)	-13.2%
Gift Program (DPA)	4,000,000	16,027,782	(12,027,782)	-300.7%
Pipeline Services	100,000	122,500	(22,500)	-22.5%
DPA Program Management	1,000,000	1,265,670	(265,670)	-26.6%
Paid Insurance Programs	-	29,482	(29,482)	0.0%
Postage	4,000	1,103	2,897	72.4%
Printing & Duplication	1,000	638	362	36.2%
Professional Fees	200	105	95	47.5%
Promotion and Marketing	-	296	(296)	0.0%
Rent	102,600	96,076	6,524	6.4%
Contract Support Services	5,548,000	5,548,000	-	0.0%
Sponsorships	100,000	26,000	74,000	74.0%
Travel - Board Member Reimburse	15,000	3,607	11,393	76.0%
Travel	105,000	9,664	95,336	90.8%
Total Expenditures	\$ 14,111,800	\$ 25,555,730	\$ (11,443,930)	-81.1%
Net Revenues Over Expenditures	\$ 383,450	\$ 5,171,405	\$ 4,787,955	1248.7%



To: GSFA Executive Committee
From: Craig Ferguson, Deputy Director
Date: February 4, 2021
Re: GSFA Program Investment - **ACTION**

Summary

The board has previously approved up to \$30MM of existing resources toward investment into the GSFA Down Payment Assistance (DPA) program/s. As discussed at prior committee and 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 while meeting GSFA's mission to assist homebuyers.

Recommendation

It is recommended that the GSFA Executive Committee recommend to the GSFA Board of Directors to 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 GSFA existing DPA program/s.