

**Golden State Finance Authority (GSFA)
Board of Directors Meeting
Wednesday, December 9, 2015
11:30 a.m.
1215 K Street Suite 1650
Sacramento, CA 95814**

AGENDA

1. **Call to Order & Determination of Quorum**
*Chair, Supervisor Kevin Cann, Mariposa County
Vice Chair, Supervisor Les Baugh, Shasta County*
2. **Approval of Minutes – August 19, 2015 Board Meeting** **Page 1**
Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise
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. **GSFA 2016 Proposed Budget – ACTION** **Page 5**
*Greg Norton, Executive Director
Patricia Megason, Deputy Director
Lisa McCargar, Chief Financial Officer*
6. **GSFA Investment Policy Renewal 2016 – ACTION** **Page 11**
*Greg Norton
Patricia Megason
Lisa McCargar*
7. **Resolution 15-09: Disaster Relief Assistance – ACTION** **Page 19**
*Greg Norton
Patricia Megason
Craig Ferguson, Vice President*
8. **Resolution 15-10: Authorizing the Issuance and Delivery Of Multi-Family Housing Revenue Bonds – Sycamore Walk Project – ACTION** **Page 23**
*Craig Ferguson
Greg Norton*
9. **Program Updates**
*Greg Norton
Craig Ferguson*

10. 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, please call Sarah Bolnik 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 (GSFA)
Board of Directors Meeting
August 19, 2015
11:45 a.m.
1215 K Street, Suite 1650
Sacramento CA 95814
916-447-4806**

MINUTES

Call to Order & Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County, called the meeting to order at 12:01 p.m. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
Mary Rawson	Alpine
Brian Oneto	Amador
Doug Teeter	Butte
Dave Finigan	Del Norte
Michael Ranalli	El Dorado
John Viegas	Glenn
Rex Bohn	Humboldt
Matt Kingsley	Inyo
Anthony Farrington	Lake
Aaron Albaugh	Lassen
Kevin Cann	Mariposa
David Rogers	Madera
John Pedrozo	Merced
Carre Brown	Mendocino
Geri Byrne	Modoc
Diane Dillon	Napa
Jim Holmes	Placer
Kevin Goss	Plumas
Les Baugh	Shasta
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Larry Munger	Sutter
Bob Williams	Tehama
John Fenley	Trinity
Randy Hanvelt	Tuolumne
<u>Absent</u>	
Cliff Edson	Calaveras
Kim Dolbow Vann	Colusa

Michael Kelley	Imperial
Tim Fesko	Mono
Nate Beason	Nevada
Anthony Botelho	San Benito
Matt Rexroad	Yolo
Roger Abe	Yuba

Others in Attendance

Assembly Member, Brian Dahle
Supervisor Allen Ishida, Tulare County
Wanda Ishida
Supervisor Rick Farinelli, Madera County
Ed Horton, Placer County Water Agency
Justin Caporusso, RCRC Public Affairs Specialist
Paul A. Smith, RCRC Senior Legislative Advocate
Lisa McCargar, RCRC Chief Financial Officer
Terrance Rodgers, RCRC Economic Development Officer
Cyndi Hillery, RCRC Legislative Advocate

Staff in Attendance

Greg Norton, Executive Director
Patricia Megason, Deputy Director
Craig Ferguson, Vice President
Sarah Bolnik, RCRC Office Manager

Approval of Minutes – June 18, 2015 Board 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 June 18, 2015 GSFA Board of Directors Meeting. Supervisor Mary Rawson, Alpine County, seconded the motion. Motion unanimously passed.

Abstaining:

Supervisor Anthony Farrington, Lake County; Supervisor John Pedrozo, Merced County; Supervisor Les Baugh, Shasta County

Member County Concerns

None

Public Testimony

None

Amended and Restated Resolution 15-04: Approving and Authorizing Appointment of Multi-Family Review and Approval Action Team of Delegates to Review and Approve Specific Multi-Family Projects

Craig Ferguson, Vice President, reviewed with the Golden State Finance Authority Board of Directors what the Multi-Family Action team is able to approve. Mr. Ferguson stated that at the meeting of the GSFA Board on March 18, 2015, Resolution 15-04 was unanimously approved. Since that time however, it was determined that additions needed to be made to the resolution to provide clarity regarding the administration and authority of the action team. Mr. Ferguson reviewed these areas with the board.

Staff Recommendation

Staff recommends that the GSFA Board of Directors approve Amended and Restated Resolution 15-04 to provide clarity to the administration and authorization of the multi-family review and approval action team of delegates to review and approve specific multi-family projects.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the amended and restated Resolution 15-04. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion unanimously passed.

Authorizing the Issuance of Senior Housing Revenue Bonds - Seasons at Simi Valley Apartments

Craig Ferguson reviewed with the board the housing revenue bonds and noted the similarity to the single family bonds from 2007. Mr. Ferguson reviewed resolutions 15-06, 15-07, and 15-08 and answered questions that the board had regarding these resolutions.

Staff Recommendations

Staff recommends that the GSFA Board of Directors approve the following:

1. Resolution 15-06: Authorizing the issuance and delivery of senior housing revenue bonds in an amount not to exceed \$6,320,000 for the financing of a senior rental housing project generally known Seasons at Simi Valley Apartments; approving and authorizing the execution of and delivery of various documents; and ratifying any actions taken and approving related matters;
2. Resolution 15-07: Authorizing designees thereof to execute and deliver on behalf of the Board or the Authority documents requiring signature by a member of the Board and authorized by Authority Resolution;
3. Resolution 15-08: Authorizing and adopting post-issuance tax compliance procedures for governmental tax exempt obligations; and
4. Authorizing and directing staff to take any and all actions necessary to ensure the successful delivery and performance of the Authority's responsibilities associated with this project and bond issuance.

Supervisor Les Baugh, Shasta County, motioned to approve Resolution 15-06. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion unanimously passed.

Supervisor Randy Hanvelt, Tuolumne County, motioned to approve Resolution 15-07. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion unanimously passed.

Supervisor Brian Oneto, Amador County, motioned to approve Resolution 15-08. Supervisor Jim Holmes, Placer County, seconded the motion. Motion unanimously passed.

Supervisor Carre Brown, Mendocino County, motioned to approve all staff recommendations. Supervisor Jim Holmes, Placer County, seconded the motion. Motion unanimously passed.

Program Updates

Craig Ferguson provided an update on the existing Housing and Energy Programs.

Adjournment

Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Board of Directors at 12:26 p.m.



To: GSFA Board of Directors
From: Greg Norton, Executive Director
Patricia Megason, Deputy Director
Lisa McCargar, Chief Financial Officer
Date: December 1, 2015
Re: GSFA 2016 Proposed Budget - **ACTION**

Summary

The proposed 2016 Golden State Finance Authority (GSFA) Operating Budget constitutes our continued commitment to the core functions of providing affordable housing down payment assistance and energy retrofit programs as well as infrastructure programs development.

The proposed 2016 GSFA Operating Budget (Attachment A) includes total revenues of \$32,856,000 and total expenditures of \$32,855,450 and results in net revenue over expenditures of \$550. The primary sources of revenue and expenditures are described below.

The 2016 proposed GSFA Operating Budget was reviewed and approved by the GSFA Executive Committee at the November 18, 2015 meeting.

2016 Proposed Revenue Highlights

Proposed revenues are primarily derived from GSFA's housing and energy programs. In addition, interest income from second mortgage portfolio earnings and interest and gains from portfolio investments provide proposed sources of revenue.

The proposed 2016 GSFA Budgeted Revenue of \$32,856,000 includes:

- Housing program revenues which remain the primary source of GSFA revenues. The programs are projected to generate \$31.09 million in revenue in 2016.
- The GSFA second mortgage portfolio is projected to generate interest earnings of \$496,000.
- Revenues from new energy programs are estimated to be \$745,000. The existing energy program loans from the prior ARRA program continue to require loan servicing. Associated GSFA cost reimbursements from this grant are estimated to be \$345,000 for 2016.

- Interest earnings and capital gains from investments are projected to be \$145,000.

2016 Proposed Expenditure Highlights

The proposed 2016 GSFA Operating Expenditure Budget is designed to provide the resources necessary to pursue and implement housing and energy programs and services. The proposed 2016 Expenditure Budget totals \$32,855,450. Primary expenditures are for housing program gifts, contract support services payments, estimated contract performance fee to RCRC and program management fees.

The key proposed 2016 GSFA expenditures include:

- Housing program gifts to homebuyers of \$25.0 million and associated program management and pipeline services fees totaling \$2,180,000.
- Contract support services payments to RCRC in the amount of \$2,023,100. The contract also includes estimated housing program performance fees of \$1,189,500.
- The proposed budget includes the lump sum contract services and performance fee amount the GSFA Board is requested to consider and approve as part of its budgeting process for the 2016 calendar year. The proposed lump sum contract services and performance fee amount for RCRC services 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 President/CEO, the Executive Vice President and the Chief Financial Officer of RCRC. The proposed contract services amount and performance fee and the underlying compensation proration for RCRC personnel that are included in the proposed budget were approved by the RCRC Board of Directors.
- The 2016 proposed budget includes \$1,000,000 of grant funding for California Disaster Assistance, \$100,000 for business development and expansion, \$75,000 for promotion and marketing and \$50,000 for sponsorships.

Key Differences between the 2016 and 2015 Expenditure Budgets

The proposed 2016 expenditures budget for GSFA of \$32,855,450 includes an increase of \$11,370,389 (52.9%) from the 2015 approved budget. Following is a summary of the key differences between the proposed 2016 and the 2015 approved budgets:

- **Business Development and Expansion** – increase of \$50,000 (100%) to promote and market new and existing programs and develop new programs.
- **Infrastructure Program** – \$200,000 to develop a new Rural County Infrastructure Financing Program.

- **California Disaster Assistance Grants** – \$1,000,000 (new) to provide disaster assistance relief grants to those that have lost their housing in California wildfires.
- **Contract Support Services** – An increase of \$561,825 (38.4%) in current fees due to an increase in direct and indirect costs in providing services.
- **Loan Losses** – A decrease of \$100,000 (40%) due primarily to a decrease in the second mortgage portfolio balance.
- **Housing Gift Program** – An increase of \$9 million (56.3%) in program gifts due to increased program activity projections.
- **Program Management** – An increase of \$500,000 (33.3%) due to an increase in the service costs with greater gift volume.

Budgeted Net Revenue

The proposed budget for 2016 will result in net revenue over expenditures of \$550. The budgeted expenditures include a noncash item, the loan losses, of \$150,000. Therefore, the proposed 2016 budget is projected to generate positive cash flow of \$150,550.

Other Related Matters

Due to the volatility and pace of the programs and markets, authority is requested for the Executive Director to make necessary business decisions up to \$500,000 per decision outside of the approved operating budget. It is also request the Executive Director be granted with the authority to proceed with necessary operating decisions due to changes in the market, economy or changing transactional requirements to avoid unnecessary delay and provide the necessary flexibility to effectively and timely implement and modify programs. Such expenditure and operational decisions are to be made in consultation with the Vice President, the GSFA Chair and the GSFA Vice Chair and are to be reported back to the Board with subsequent ratification as necessary.

Recommendations

It is recommended that the GSFA Board of Directors approve the following recommendations:

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.

Attachment

- 2016 GSFA Operating Budget

GOLDEN STATE FINANCE AUTHORITY
FY 2016 BUDGET
January 1-December 31, 2016

Income:	2016 Budget	2015 Budget	Increase / (Decrease)
Housing Program Revenue	\$ 31,095,000	\$ 22,216,500	\$ 8,878,500
Energy Program Revenue	745,000	-	745,000
Grant Reimbursed Costs	345,000	363,000	(18,000)
Interest Income and Capital Gains/(Losses)	145,000	120,000	25,000
Ongoing Issuer Fees	10,000	15,000	(5,000)
2nd Mortgage Interest	496,000	650,000	(154,000)
Miscellaneous Income	20,000	-	20,000
Total Income	\$ 32,856,000	\$ 23,364,500	\$ 9,491,500
Expenditures:			
Accounting & Auditing	\$ 29,200	\$ 30,000	\$ (800)
Arbitrage Rebate	-	5,000	(5,000)
Bank Fees	1,000	3,000	(2,000)
Business Development and Expansion	100,000	50,000	50,000
CDLAC fees	50,000	35,000	15,000
Conferences	-	1,500	(1,500)
Community Relations	15,000	-	15,000
Custodian/Trustee	50,000	-	50,000
Consultants	84,000	84,000	-
Contract Labor - Temps	10,000	10,000	-
Contract Performance Fee	1,189,500	1,150,000	39,500
Dues, Fees & Subscriptions	30,000	40,000	(10,000)
Grant Costs	345,000	363,000	(18,000)
Insurance	37,700	40,270	(2,570)
Infrastructure Program	200,000	-	200,000
Legal Services	125,000	100,000	25,000
Loan Losses	150,000	250,000	(100,000)
Miscellaneous	6,000	6,000	-
Multi Family Bonds	10,000	-	10,000
Off-Site Storage	-	500	(500)
Gift Program	25,000,000	18,000,000	9,000,000
Grant Fund - California Disaster Assistance	1,000,000	-	1,000,000
Pipeline Services	180,000	180,000	-
DPA Program Management	2,000,000	1,500,000	500,000
Postage	1,000	600	400
Printing and Duplication	1,000	-	1,000
Promotion and Marketing	75,000	50,000	25,000
Rent	67,950	49,918	18,034
Contract Support Services	2,023,100	1,461,275	561,825
Sponsorships	50,000	50,000	-
Board Member Travel and Reimbursements	15,000	15,000	-
Travel	10,000	10,000	-
Total Expenditures	\$ 32,855,450	\$ 21,485,061	\$ 11,370,389
Net Revenues Over Expenditures	\$ 550	\$ 1,879,439	\$ (1,878,889)
Noncash Adjustments:			
Loan Losses	\$ 150,000	\$ 250,000	\$ (100,000)



To: GSFA Board of Directors
From: Greg Norton, Executive Director
Patricia Megason, Deputy Director
Lisa McCargar, Chief Financial Officer
Date: December 1, 2015
Re: GSFA Investment Policy Renewal 2016 - **ACTION**

Summary

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

Issue

The Investment Policy was last revised and approved in December 10, 2014. The Investment Committee consisting of the GSFA Executive Director, Deputy Director and Chief Financial Officer has reviewed and is submitting the policy for annual review as required.

The Investment Committee has only one suggested revision for 2016 other than applicable dates, and the change of the name from California Home Finance Authority to Golden State Finance Authority.

The Policy was reviewed by the GSFA Executive Committee on October 21, 2015. The GSFA Executive Committee directed the GSFA Executive Director to recommend approval by the GSFA Board of Directors.

Staff Recommendation

Staff recommends that the GSFA Board of Directors review and approve the attached 2016 Investment Policy.

Attachment

- 2016 GSFA Investment Policy

GOLDEN STATE FINANCE AUTHORITY

Subject: INVESTMENT POLICY	Class: ACCOUNTING	Number: A - 03
	(<input type="checkbox"/>) Complete Revision (<input checked="" type="checkbox"/>) Partial Revision (<input type="checkbox"/>) New	Supersedes: Policy dated 12/10/14 Approved:

INTRODUCTION

The investment policies and practices of Golden State Finance Authority (GSFA) are based upon state law and provide guidelines for the prudent investment of GSFA's reserve funds as well as temporarily idle cash. The primary goals of these policies are:

1. To safeguard the principal funds.
2. To provide sufficient liquidity to meet normal operating expenditures and expenditures beyond the ordinary budgeted expenses.
3. To generate investment income commensurate with the parameters of prudent risk management and consistent with the above policies.

Investments shall be made with judgment and care – under circumstances then prevailing – in the same manner that prudent investors, using discretion and intelligence, would exercise in the management of their own affairs when doing so for investment and not for speculation, and considering the probable safety of their capital as well as the probable income to be derived. The Investment Committee will use the “prudent investor” standard in managing GSFA's portfolio.

Investment Committee members acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and actions are taken to control adverse developments. Any deviations, once identified, should be documented and reviewed to determine whether replacing the security would be in the best interest of the organization.

OBJECTIVES

GSFA's investment policy shall be managed in a manner that emphasizes the preservation of capital. The long-term goal is to seek competitive returns while minimizing exposure to credit and market risk. The investment portfolio shall remain sufficiently liquid to meet anticipated cash requirements. GSFA's objective is to diversify its portfolio by investing funds among a variety of securities offering independent returns and financial institutions. This can be accomplished through diversity of instruments to include those with active secondary markets, maturities that match expected cash needs, and the Local Agency Investment Fund (LAIF) and CalTrust which includes diverse investment portfolios and immediate withdrawal provisions. The investment objective shall be to achieve a rate of return that is commensurate with safety and liquidity requirements of the organization. Management of the Investment portfolio will be directed by the objectives of Preservation of Capital – understanding that losses may occur on individual securities; Risk Aversion - understanding that risk is present in all types of investment; and Adherence to Investment Discipline, adhering to this policy.

The portfolio's target total return should meet or exceed all of the following over a full market cycle (at least 5 years):

- California's Local Agency Investment Fund (LAIF) rate for the same period.
- The 90 day Treasury Bill rate for the same period.

GOLDEN STATE FINANCE AUTHORITY

Subject: INVESTMENT POLICY	Class: ACCOUNTING	Number: A - 03
	<input type="checkbox"/> Complete Revision <input checked="" type="checkbox"/> Partial Revision <input type="checkbox"/> New	Supersedes: Policy dated 12/10/14 Approved:

DELEGATION OF AUTHORITY

Authority to manage GSFA's investment program is derived from California Government Code Sections 53601 and 53607 and by annual actions of GSFA's Board of Directors (Board). The Board has delegated management responsibility for the investment program to the Investment Committee consisting of GSFA's Executive Director, Deputy Director, and Chief Financial Officer (CFO). The Investment Committee shall be responsible for all investment transactions undertaken.

RESPONSIBILITY OF THE INVESTMENT CONSULTANT(S)

In the event the Investment Committee determines to utilize an Investment Consultant, the Investment Consultant's role will be that of a non-discretionary advisor to the Investment Committee. Investment advice concerning the investment management of assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Investment Committee will monitor expected net cash flow requirements.

To maintain the ability to deal with unplanned cash requirements that might arise, the Investment Committee will determine the portion of assets that shall be maintained in cash or cash equivalents, including money market funds or short-term U.S. Treasury bills.

MARKETABILITY OF ASSETS

The Investment Committee requires that all assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently, with minimal impact on market price.

AUTHORIZED AND SUITABLE INVESTMENTS

GSFA is empowered to invest in LAIF, CalTRUST and, as provided in Government Code (GC) Section 53601 and 53601.1 to invest in the following types of securities:

- Debt issued by GSFA or other public agencies
- Money market instruments within the limitations provided in GC Section 53601.1
- Debt and/or securities of affiliated companies when that debt or security meets the requirements of any of the securities listed in GC Section 53601.1

GOLDEN STATE FINANCE AUTHORITY

Subject: INVESTMENT POLICY	Class: ACCOUNTING	Number: A - 03
	<input type="checkbox"/> Complete Revision <input checked="" type="checkbox"/> Partial Revision <input type="checkbox"/> New	Supersedes: Policy dated 12/10/14 Approved:

Allowable Assets

1. **Cash Equivalents**

- Treasury Bills
- Money Market Funds
- Banker's Acceptances
- Repurchase Agreements
- Certificates of Deposit

2. **Fixed Income Securities**

- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Mortgage Backed Bonds/Securities

3. **Mutual Funds**

- Mutual Funds which invest in securities as allowed in this statement.

ASSET ALLOCATION

Sections 53601 and 53601.1 of the California Government Code provide legal authorization for investment of funds of local agencies. All investments of GSFA shall conform to the restrictions of those laws and shall be consistent with prudent and conservative investment standards.

1. The Investment Committee will determine the Aggregate Fund Asset Allocation (allocation) giving consideration to resources, operating needs and economic conditions. The Investment Committee will monitor the allocation and take steps to balance the allocation as appropriate.
2. Should an investment percentage-of-portfolio limitation be exceeded due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Investment Committee shall consider rebalancing the portfolio, basing the decision, in part, on the expected length of time the portfolio will be unbalanced.
3. In order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency or particular industry should not be excessive as determined by the Investment Committee. The total allocation to treasury bonds and notes may represent up to 100% of the aggregate bond position

GOLDEN STATE FINANCE AUTHORITY

Subject: INVESTMENT POLICY	Class: ACCOUNTING	Number: A – 03
	<input type="checkbox"/> Complete Revision <input checked="" type="checkbox"/> Partial Revision <input type="checkbox"/> New	Supersedes: Policy dated 12/10/14 Approved:

ETHICS AND CONFLICTS OF INTEREST

Members of the Investment Committee shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Investment Committee members shall disclose annually any material financial interests in financial institutions that conduct business with GSFA and they shall further disclose any large personal financial/investment positions that could be related to the performance of GSFA. The annual disclosure on California Fair Political Practices Commission Form 700 will suffice to meet this requirement.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The CFO will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of California. These may include primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by State of California laws.

All financial institutions and broker/dealers who desire to be approved for providing investment services must provide the Investment Committee with the following:

- Audited financial statements
- Proof of National Association of Security Dealers certification
- Trading resolution
- Proof of State of California registration
- Certification of having read GSFA's investment policy and depository contracts

An annual review of the financial condition and registrations of approved security broker/dealers utilized by GSFA will be conducted by the Chief Financial Officer.

INVESTMENT PERFORMANCE REVIEW AND EVALUATION

The Investment Committee shall ensure that performance reports are compiled at least quarterly. The market value of the portfolio shall be calculated and an investment report shall be prepared at least quarterly for presentation to the GSFA Executive Committee. The report shall include the following:

- Listing of individual investments held at the end of the reporting period, showing institution, selling institution, date of maturity, amount of deposit, and current market value
- Realized and unrealized gains or losses resulting from appreciation or depreciation
- Return on investment expressed as an annual percentage rate
- Average weighted yield to maturity of portfolio as compared to applicable benchmarks
- Statement of current allocation of investments

GOLDEN STATE FINANCE AUTHORITY

Subject: INVESTMENT POLICY	Class: ACCOUNTING	Number: A - 03
	<input type="checkbox"/> Complete Revision <input checked="" type="checkbox"/> Partial Revision <input type="checkbox"/> New	Supersedes: Policy dated 12/10/14 Approved:

The Investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Investment Committee intends to evaluate the portfolio(s) over at least a three year period.

INVESTMENT POLICY REVIEW

The investment policy shall be reviewed and approved annually by the Board of Directors in accordance with Government Code Section 53646. By adoption of this investment policy, the Board of Directors delegates investment authority to the Investment Committee (consisting of the Executive Director, Deputy Director and Chief Financial Officer) in accordance with Government Code Section 53607. Such investment authority shall include authority to invest or to reinvest funds of GSFA and to sell or exchange securities so purchased. All investments require the approval of at least two members of the Investment Committee.



To: GSFA Board of Directors
From: Greg Norton, Executive Director
Patricia Megason, Deputy Director
Craig Ferguson, Vice President
Date: December 1, 2015
Re: Resolution 15-09: Disaster Relief Assistance - **ACTION**

Summary

In 2015, two of the Golden State Finance Authority's member counties, Calaveras and Lake, suffered devastating wildfires which resulted in a large number of residences being destroyed. As a result of the Butte Fire (Calaveras) and the Valley Fire (Lake), nearly 2,000 homes have been deemed destroyed. Both the Butte and Valley fire are state and federally declared disasters.

Issue

Due to the unprecedented loss of homes in these member counties, GSFA is proposing to allocate \$1.5 million in disaster funding to provide assistance to these member counties and residents. \$500,000 (\$350,000 to Lake and \$150,000 to Calaveras) would be provided directly to the counties for direct assistance for the costs of providing temporary housing and/or shelter to individuals and families that have been displaced due to the loss of their residence from the fires.

The remaining \$1 million of appropriated funds would be provided to individuals and families through a program to be established by GSFA. These funds are intended to assist in the rebuilding or to obtain a future long-term residence. Household income may not exceed 115% of the Area Median Income and the maximum of assistance to an individual household would be limited to \$2,500.

Resolution 15-09 was approved by the GSFA Executive Committee on November 18, 2015.

Recommendation

It is recommended that the GSFA Board of Directors adopt Resolution 15-09: Disaster Relief Assistance.

Attachment

- GSFA Resolution 15-09: Disaster Relief Assistance

RESOLUTION NO. 15-09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GOLDEN STATE FINANCE AUTHORITY APPROVING AND ADOPTING AN EMERGENCY DISASTER ASSISTANCE PROGRAM FOR COUNTY RESIDENTS DISPLACED BY 2015 FIRES

WHEREAS, the Golden State Finance Authority (“GSFA”) is a joint powers authority comprised of 33 member counties which provides housing down payment assistance, energy efficiency and other programs to assist residents; and

WHEREAS, a historic drought in California has created extremely dry conditions; and

WHEREAS, in recent months, there have been devastating fires in the jurisdictions of several of GSFA’s member counties, which have resulted in hundreds of residents being left homeless; and

WHEREAS, the State of California and/or the United States Government have declared several of these fire-stricken areas to be disaster areas; and

WHEREAS, GSFA desires to provide assistance to those individuals and families who have lost their primary residence for an extended period of time;

NOW THEREFORE, BE IT RESOLVED, as follows:

Section 1. GSFA hereby allocates a total amount of One Million Five Hundred Thousand Dollars (\$1,500,000) of unrestricted funds to be used for an Emergency Disaster Assistance Program (the “Program”) to assist residents living within a member County who meet the following criteria:

- The residence is in an area declared to be a state or federal disaster area in 2015;
- Damaged property caused by the disaster must have been the primary residence (owned or rented) of the applicant;
- The property must have been designated by CALFIRE as destroyed (more than 50% damaged);
- The assistance is to benefit the individuals/families that have been displaced;
- To provide timely assistance to immediate temporary housing and shelter needs a portion of the funds may be allocated to assist with this need.

Section 2. The Board further resolves that \$500,000 of the appropriated Program funds shall be provided directly to the appropriate county agency or department of Lake and Calaveras Counties for direct assistance to be used for the costs of providing temporary housing and/or shelter to individuals and families displaced due to loss of residence from the fire, in the manner

that such counties deem appropriate. The allocation shall be in the following amounts based on the CALFIRE reports of residences destroyed:

Lake County	\$350,000
Calaveras County	\$150,000

Section 3. The remaining \$1 million of appropriated Program funds for individual/family assistance portion shall generally follow the guidelines (the "Guidelines") developed by GSFA in consultation with legal counsel.

- The funds shall be provided directly to individuals and families in an effort to assist rebuilding or to obtain a future long-term residence,
- Household income of the applicant may not exceed 115% of Area Median Income,
- Assistance to an individual household will be limited to a maximum amount of \$2,500.

PASSED APPROVED AND ADOPTED by the Board of Golden State Finance Authority, the ___ day of ___ 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Golden State Finance Authority

Chair of the Board

I certify that the foregoing resolution is a true and accurate copy of Resolution No. 15-09, approved by the governing board of the Golden State Finance Authority on December 9, 2015 in Sacramento, California.

Date: December 9, 2015

Assistant Secretary



To: GSFA Board of Directors
From: Craig Ferguson, Vice President
Greg Norton, Executive Director
Date: December 1, 2015
Re: Resolution 15-10 Authorizing the Issuance of Multi-Family Housing Revenue Bonds – Sycamore Walk Project - **ACTION**

Summary

The Governing Board of the Golden State Finance Authority (formerly known as California Rural Home Mortgage Finance Authority, or CRHMFA Homebuyers Fund) (the “Authority”) is being asked to adopt a resolution authorizing the issuance by the Authority of Multi-Family housing revenue bonds (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of a multi-family housing facility (the “Project”) located in Kern County (the “County”), which County is an associate member of the Authority. The Project is a 112-unit multi-family rental housing project located at 380 Pacheco Road, Bakersfield, Kern County, California 93307, and is generally known as Sycamore Walk.

The Authority previously approved an inducement resolution for the Bonds. At that time, it was noted that there were several steps to be taken before Bonds could be issued for the Project, including that the Project needed to receive “private activity bond” allocation from the California Debt Limit Allocation Committee (“CDLAC”) and that the “applicable elected representatives” of the County, that is the Board of Supervisors, adopt a resolution approving the issuance of such “private activity bonds” after a public hearing has been held which has been noticed in a newspaper of general circulation in such jurisdiction. The County Board of Supervisors adopted a resolution approving the issuance of such bonds after public hearing on April 14, 2015; it is anticipated that CDLAC will award “private activity bond” allocation at its meeting on December 16, 2015.

Resolution 15-10 authorizes the issuance of the Bonds in the principal amount not to exceed \$5,447,000. As noted in the resolution, the Bonds will be privately placed with America First Multi-family Investors, L.P., or an affiliate thereof (the “Purchaser”), as the initial purchaser of the Bonds. The resolution also approves the execution and delivery of Bond documents, which are substantially in the form expected to be entered at the Bond closing, other than the completion of such items as the final Bond principal amount, interest rate and the like. (The interest rate on the senior bonds is expected to be in the range of 5.25%, and the interest rate on the subordinate bonds is

expected to be in the range of 8.0%; the final maturity date is expected to be no later than January 1, 2033.) These Bond documents include the Trust Indenture which sets out the terms and provisions of the Bonds, the Loan Agreement under which the proceeds of the Bonds will be loaned to Sycamore Bakersfield AR, L.P., a California limited partnership, as the borrower (the "Borrower") with respect to the Project, the Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") that sets out the Borrower's agreement to provide at least 40% of the units to low and moderate income tenants, and such other documents and certificates as needed for the issuance of the Bonds. (In fact, because the Project will be financed in part with low income housing tax credits, it is expected that 100% of the units will be rented to low and moderate income tenants.) Before the Bonds are issued, the final Bond terms will be agreed to between the Borrower and the Purchaser, and these terms will be incorporated into the Bond documents.

It is important to note that the Bonds, when issued, will not be secured by any form of taxation, or by any obligation of either the County or the Authority. The debt does not represent or constitute a general obligation of either the Authority or the County. The Bonds will be payable solely from amounts received pursuant to the terms and provisions of the Loan Agreement and other Bond documents. In the Loan Agreement, the Borrower provides comprehensive indemnification to the Authority and its members and associate members, including the County.

Recommendation:

It is recommended that the Board approve Resolution 15-10 authorizing the issuance by the Authority of the Bonds for the purpose of financing the acquisition and rehabilitation of a multi-family housing facility located in Kern County, generally known as Sycamore Walk.

Attachment:

Resolution 15-10

Bond Documents available for review at:

<http://www.gsfahome.org/admin/notices.shtml>

RESOLUTION NO. 15-10

A RESOLUTION OF THE GOLDEN STATE FINANCE AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTI-FAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,447,000 FOR THE FINANCING OF A MULTI-FAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS SYCAMORE WALK; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

WHEREAS, the Golden State Finance Authority is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the "JPA Law"), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of July 1, 1993, as the same may be amended (the "Agreement"), to issue revenue bonds for the purpose of financing, among other things, the construction, acquisition, development and rehabilitation of multi-family rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the "Housing Law");

WHEREAS, Sycamore Bakersfield AR, L.P., a California limited partnership, and entities related thereto (collectively, the "Borrower"), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 112-unit multi-family rental housing development located in the City of Bakersfield, County of Kern, California and known as Sycamore Walk (the "Project");

WHEREAS, on or about December 16, 2015, the Authority expects to receive allocations in the amounts of \$5,447,000 (the "Allocation Amount") from the California Debt Limit Allocation Committee ("CDLAC") in connection with the Project;

WHEREAS, the County of Kern is an Associate Member (as defined in the Agreement) of the Authority;

WHEREAS, the Authority is willing to issue not to exceed \$5,447,000 aggregate principal amount of its Multi-Family Housing Revenue Bonds (Sycamore Walk Project) 2015 Series B-1 (the "Series B-1 Bonds") and its Subordinate Multi-Family Housing Revenue Bonds (Sycamore Walk Project) 2015 Series B-2 (the "Series B-2 Bonds" and together with the Series B-1 Bonds, the "Bonds"), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Bonds will be privately placed with America First Multi-Family Investors, L.P., or an affiliate thereof (the "Purchaser"), as the initial purchaser of the Bonds;

WHEREAS, there have been prepared and made available to the members of the Governing Board of the Authority (the "Board") the following documents required for the issuance of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

(1) Trust Indenture (the "Indenture"), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee");

(2) Loan Agreement (the "Loan Agreement"), to be entered into between the Authority and the Borrower; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), to be entered into among the Borrower, the Authority and the Trustee.

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

Section 1. The recitals set forth above are true and correct, and the members of the Board hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue two or more series of Bonds. The Bonds shall be designated as "Golden State Finance Authority Multi-Family Housing Revenue Bonds (Sycamore Walk Project) 2015 Series B-1" and "Golden State Finance Authority Subordinate Multi-Family Housing Revenue Bonds (Sycamore Walk Project) 2015 Series B-2" with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$5,447,000; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Board or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Associate Member or any Member of the Board of the Authority (each, a "Member").

Section 3. The Indenture substantially as in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to a Resolution of the Authority, adopted on August 19, 2015) (together with the Members, each such person is referred to herein individually as an "Authorized Signatory"), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 4. The Loan Agreement substantially as in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement and Declaration of Restrictive Covenants substantially as in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Purchaser, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Purchaser in accordance with the Indenture upon payment of the purchase price thereof.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Board, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, and other documents approved herein.

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Golden State Finance Authority this December 9, 2015.

The undersigned, an Authorized Signatory of the Golden State Finance Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of the Authority at a duly called meeting of the Board of the Authority held in accordance with law on December 9, 2015.

By: _____
Authorized Signatory

