

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



**Wednesday, July 11, 2018  
10:30 A.M.**

**1215 K Street, Suite 1650  
Sacramento CA 95814  
916-447-4806**



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

**July 11, 2018 – 10:30 a.m.**

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County  
Supervisor Randy Hanvelt, Tuolumne County  
Supervisor Rex Bohn, Humboldt County  
Supervisor Matt Kingsley, Inyo County  
Supervisor Bob Williams, Tehama County

Supervisor Michael Kobseff, Siskiyou County  
Supervisor Aaron Albaugh, Lassen County  
Supervisor Diane Dillon, Napa County  
Supervisor Stacy Corless, Mono County  
Supervisor Daron McDaniel, Merced County

**Agenda**

- I. Call to Order and Determination of Quorum**  
*Chair, Supervisor Kevin Cann, Mariposa County*
- II. Approval of Minutes of the May 9, 2018 Meeting** **Page 1**  
*(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)*
- III. Public Comment**  
*At this time any member of the public may address the Board. Speakers are asked to state their name for the record. Comments are usually limited to no more than 3 minutes per speaker.*
- IV. Quarterly Reports for GSFA** (Discussion and possible action relative to)  
*Greg Norton, Executive Director  
Lisa McCargar, Chief Financial Officer*
  - a. GSFA Budget Report (May 31, 2018)** **Page 5**
  - b. GSFA Investment Report (May 31, 2018)** **Page 9**
  - c. Liquidity Report as of May 31, 2018**
- V. Business and Administrative Matters** (Discussion and possible action relative to)  
*Greg Norton  
Craig Ferguson, Deputy Director*
  - a. Other Business and Administrative Matters**
- VI. Program Updates** (Discussion and possible action relative to)  
*Greg Norton  
Craig Ferguson*
- VII. Adjournment**

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, contact Sarah Bolnik by calling (916) 447-4806 at least 48 hours before the meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment, please let staff know if you would like to speak on a specific agenda item. The agenda for this meeting of the Executive Committee of the Golden State Finance Authority was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, 72 hours prior to the meeting.



**Golden State Finance Authority (GSFA)  
Executive Committee Meeting  
1215 K Street, Suite 1650 Board Room  
Sacramento, CA 95814  
(916) 447-4806**

**May 9, 2018 – 9:30 a.m.**

**Executive Committee Members:**

Supervisor Kevin Cann, Mariposa County  
Supervisor Randy Hanvelt, Tuolumne County  
Supervisor Rex Bohn, Humboldt County  
Supervisor Matt Kingsley, Inyo County  
Supervisor Bob Williams, Tehama County

Supervisor Michael Kobseff, Siskiyou County  
Supervisor Aaron Albaugh, Lassen County  
Supervisor Diane Dillon, Napa County  
Supervisor Stacy Corless, Mono County  
Supervisor Daron McDaniel, Merced County

**Minutes**

**Call to Order and Determination of Quorum**

GSFA and NHF Vice Chair, Supervisor Bob Williams, Tehama County and RCRC Chair, Supervisor Rex Bohn, Humboldt County, and called the Simultaneous meeting of the GSFA Executive Committee, RCRC Executive Committee, and the NHF Board of Directors to order at 9:33 a.m. The purpose of the simultaneous meeting was to conduct the Special Order of Business relative to the 2017 GSFA, RCRC and NHF annual audits. A quorum was determined at that time. Those present were as follows:

| <b><u>Supervisors in Attendance</u></b> | <b><u>County</u></b> |
|---|----------------------|
| Rex Bohn                                | Humboldt             |
| Matt Kingsley                           | Inyo                 |
| Daron McDaniel                          | Merced               |
| Stacy Corless                           | Mono                 |
| Michael Kobseff                         | Siskiyou             |
| Bob Williams                            | Tehama               |
| Randy Hanvelt                           | Tuolumne             |

**Absent Members**

|               |          |
|---------------|----------|
| Kevin Cann    | Mariposa |
| Aaron Albaugh | Lassen   |
| Diane Dillon  | Napa     |

**Others in Attendance**

Greg Norton, Executive Director  
Lisa McCargar, Chief Financial Officer  
Sarah Bolnik, RCRC Business Development  
Terrance Rodgers, RCRC Economic Development Officer  
Justin Caporusso, RCRC Vice President External Affairs  
Paul A. Smith, RCRC Vice President Governmental Affairs  
Arthur Wylene, RCRC Governmental Affairs Legal Counsel  
Elizabeth Jensen, RCRC Accountant

Sanjay Lee, RCRC Accountant  
Anthony Rahill, RCRC Data and Program Development Manager  
Kate Jackson, Partner, Moss Adams  
Kevin Reynolds, Manager, Moss Adams  
Jim Lanzarotta, Partner, Moss Adams (Via Conference Line)

**Special Order of Business:**

**2017 Annual Audit Exit Conference and Financial Statements**

Lisa McCargar, Chief Financial Officer, introduced Moss Adams, independent auditors. Present were Kate Jackson, Partner, and Kevin Reynolds, Manager. Jim Lanzarotta, Partner, was included via phone conference. The team from Moss Adams provided the RCRC and GSFA Executive Committees and the NHF Board of Directors with an overview of the financial statements for RCRC, GSFA and NHF. Ms. Jackson noted that RCRC, GSFA, and NHF received unqualified "clean" opinions, and there were no significant matters identified. No audit adjustments were proposed.

The RCRC and GSFA Executive Committees and the NHF Board of Directors met privately with the Moss Adams team to pose questions and/or comments. Staff exited the room at 10:06 a.m. and returned to the room at 10:25 a.m.

**Recommendation:**

It is recommended that the GSFA Executive Committee, acting in their function as the Audit Committee, review and approve the 2017 audited financial statements and information letter as presented for presentation to and adoption by the GSFA Board of Directors.

**Supervisor Michael Kobseff, Siskiyou County, motioned to approve the 2017 financial statements and information letter as presented. Supervisor Stacy Corless, Mono County, seconded the motion. Motion unanimously passed.**

**At 10:26 a.m., the simultaneous meeting of the GSFA Executive Committee, NHF Board of Directors, and the RCRC Executive Committee was adjourned.**

**At 10:27 a.m., the GSFA Executive Committee Meeting was reconvened.**

**Approval of Minutes of the February 15, 2017 Meeting**

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

**Supervisor Randy Hanvelt, Tuolumne County, motioned to approve the minutes of the February 21, 2018 GSFA Executive Committee Meeting. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion passed.**

**Public Comment**

None

**GSFA Quarterly Reports**

Lisa McCargar, Chief Financial Officer, presented the GSFA Quarterly Investment Report, the Budget Report, and the Liquidity Report for the period ending March 31, 2018.

**Program Updates**

Anthony Rahill, Data and Program Development Manager, provided an update on the single and multifamily programs, the YgreneWorks Program, and the Mortgage Credit Certificate allocation for GSFA.

**Economic Development Update**

Greg Norton, Executive Director, provided an update on recent Economic Development activity to the GSFA Executive Committee. Mr. Norton discussed the upcoming Select USA Conference that staff will attend to represent Rural California, and the growing interest from foreign investors with the release of the Opportunity Zone California designation.

Mr. Norton also announced the hiring of an additional Economic Development staff member who will begin employment in early June 2018.

**Adjournment**

GSFA Vice Chair, Supervisor Bob Williams, Tehama County, adjourned the meeting of the GSFA Executive Committee at 10:52 a.m.







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**To:** GSFA Executive Committee  
**From:** Greg Norton, Executive Director  
Lisa McCargar, Chief Financial Officer  
**Date:** July 3, 2018  
**Re:** GSFA Budget Report (May 31, 2018)

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**Summary**

The Statement of Revenues and Expenses for GSFA provides a budget to actual comparison for the five months ended May 31, 2018.

**Attachment**

- GSFA Statement of Revenues and Expenses, Budget vs. Actual, for the quarter ended May 31, 2018.



**GOLDEN STATE FINANCE AUTHORITY**  
**Statement of Revenue and Expenses**  
**Budget Vs. Actual - Unaudited**  
**For the Five Months Ended May 31, 2018**

|   | 2018<br>Annual<br>Budget | Five Months Ended<br>May 31, 2018<br>Budget | Five Months Ended<br>May 31, 2018<br>Actual | Variance<br>Favorable/<br>(Unfavorable) | Percent<br>Favorable/<br>(Unfavorable) |
|---|--------------------------|---|---|---|--|
| <b>Income:</b>                              |                          |   |   |   |  |
| Housing Program Revenue                     | \$ 56,300,000            | \$ 23,458,335                               | \$ 17,948,475                               | \$ (5,509,860)                          | -23.49%                                |
| Energy Program Revenue                      | 2,005,000                | 835,415                                     | 635,431                                     | (199,984)                               | -23.94%                                |
| Grant Reimbursed Costs                      | 250,000                  | 104,165                                     | 101,042                                     | (3,123)                                 | -3.00%                                 |
| Interest Income and Capital Gain/(Loss)     | 320,000                  | 133,335                                     | 176,360                                     | 43,025                                  | 32.27%                                 |
| Ongoing Issuer Fees                         | 60,000                   | 25,000                                      | 22,073                                      | (2,927)                                 | -11.71%                                |
| 2nd Mortgage Interest                       | 300,000                  | 125,000                                     | 137,148                                     | 12,148                                  | 9.72%                                  |
| Miscellaneous Income                        | -                        | -   | 1,600                                       | 1,600                                   | 0.00%                                  |
| <b>Total Income</b>                         | <b>\$ 59,235,000</b>     | <b>\$ 24,681,250</b>                        | <b>\$ 19,022,129</b>                        | <b>\$ (5,659,121)</b>                   | <b>-22.93%</b>                         |
| <b>Expenditures:</b>                        |                          |   |   |   |  |
| Accounting & Auditing                       | \$ 30,000                | \$ 12,500                                   | \$ 21,460                                   | \$ (8,960)                              | -71.68%                                |
| Business Development and Expansion          | 100,000                  | 41,665                                      | 44,278                                      | (2,613)                                 | -6.27%                                 |
| Custodian/Trustee                           | 30,000                   | 12,500                                      | 2,195                                       | 10,305                                  | 82.44%                                 |
| Consultants                                 | 225,000                  | 93,750                                      | 103,867                                     | (10,117)                                | -10.79%                                |
| Contract Performance Fee                    | 1,750,000                | 729,165                                     | -   | 729,165                                 | 100.00%                                |
| Dues, Fees & Subscriptions                  | 5,000                    | 2,085                                       | 4,707                                       | (2,622)                                 | -125.76%                               |
| Grant Costs                                 | 250,000                  | 104,165                                     | 101,042                                     | 3,123                                   | 3.00%                                  |
| Insurance                                   | 37,500                   | 15,625                                      | 15,345                                      | 280                                     | 1.79%                                  |
| Infrastructure Program                      | 200,000                  | 83,335                                      | 87,500                                      | (4,165)                                 | -5.00%                                 |
| Legal Services                              | 250,000                  | 104,165                                     | 32,153                                      | 72,012                                  | 69.13%                                 |
| Loan Losses                                 | 100,000                  | 41,665                                      | 49,208                                      | (7,543)                                 | -18.10%                                |
| Multi Family Bonds                          | 5,000                    | 2,085                                       | -   | 2,085                                   | 100.00%                                |
| Energy Servicing Program                    | 600,000                  | 250,000                                     | 214,400                                     | 35,600                                  | 14.24%                                 |
| Gift Program                                | 47,000,000               | 19,583,335                                  | 14,808,259                                  | 4,775,076                               | 24.38%                                 |
| Grant Fund - California Disaster Assistance | 1,000,000                | 416,665                                     | -   | 416,665                                 | 100.00%                                |
| Pipeline Services                           | 180,000                  | 75,000                                      | 75,000                                      | -                                       | 0.00%                                  |
| DPA Program Management                      | 2,500,000                | 1,041,665                                   | 690,113                                     | 351,552                                 | 33.75%                                 |
| Printing and Duplication                    | 1,000                    | 415   | -   | 415                                     | 100.00%                                |
| Promotion and Marketing                     | 75,000                   | 31,250                                      | 13,614                                      | 17,636                                  | 56.44%                                 |
| Rent  | 132,200                  | 55,085                                      | 55,854                                      | (769)                                   | -1.40%                                 |
| Contract Support Services                   | 2,633,000                | 1,097,085                                   | 1,097,085                                   | -                                       | 0.00%                                  |
| Sponsorships                                | 100,000                  | 41,665                                      | 9,800                                       | 31,865                                  | 76.48%                                 |
| Board Member Travel and Reimbursements      | 15,000                   | 6,250                                       | -   | 6,250                                   | 100.00%                                |
| Travel                                      | 40,000                   | 16,665                                      | 12,259                                      | 4,406                                   | 26.44%                                 |
| Other Expenses                              | 7,000                    | 2,915                                       | 4,588                                       | (1,673)                                 | -57.39%                                |
| <b>Total Expenditures</b>                   | <b>\$ 57,265,700</b>     | <b>\$ 23,860,700</b>                        | <b>\$ 17,442,727</b>                        | <b>\$ 6,417,973</b>                     | <b>26.90%</b>                          |
| <b>Net Revenues Over Expenditures</b>       | <b>\$ 1,969,300</b>      | <b>\$ 820,550</b>                           | <b>\$ 1,579,402</b>                         | <b>\$ 758,852</b>                       | <b>92.48%</b>                          |





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**To:** GSFA Executive Committee  
**From:** Greg Norton, Executive Director  
Lisa McCargar, Controller/Chief Financial Officer  
**Date:** July 3, 2018  
**Re:** GSFA Investment Report (May 31, 2018)

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**Summary**

In accordance with GSFA's investment policy, we are providing the GSFA investment report. This report provides a summary of investment transactions from December 31, 2017 to May 31, 2018. In addition, the report provides the returns by investment type and a comparison to the 90 day Treasury Rate.

The CalTRUST yields are the funds' reported 1st quarter yields. The LAIF return is the fund's 1st quarter apportionment rate.

**Attachment**

- GSFA Investment Report as of May 31, 2018



**GOLDEN STATE FINANCE AUTHORITY**  
**Investment Report**  
**As of May 31, 2018**

|                             | Total         | CalTRUST<br>Short-Term | CalTRUST<br>Medium-Term | LAIF       |
|-----------------------------|---------------|------------------------|-------------------------|------------|
| Balance 3/31/18             | \$ 19,794,159 | \$ 7,568,804           | \$ 12,037,535           | \$ 187,820 |
| Additions                   | -             | -                      | -                       |            |
| Withdrawals                 | -             | -                      | -                       |            |
| Interest (includes accrued) | 61,800        | 23,402                 | 38,398                  |            |
| Capital Gain/(Loss)         | (24,258)      | 11                     | (24,269)                |            |
| Balance 5/31/18             | \$ 19,831,701 | \$ 7,592,217           | \$ 12,051,664           | \$ 187,820 |

| <u>Yield:</u>             | Short Term | Mid Term | LAIF  |
|---------------------------|------------|----------|-------|
| Annualized One Year       | 1.41%      | 1.62%    | 1.71% |
| Average Maturity (days)   | 318        | 763      | 190   |
| 90 Day Treasury Bill Rate | 1.93%      |          |       |

All current cash investments are held in either California Treasurer's Local Agency Investment Fund (LAIF) or CalTRUST's Short-Term Fund or Medium-Term Fund. Cash in the LAIF fund and the CalTRUST Short-Term Fund may be accessed within 24 hours. Cash in the CalTRUST Medium-Term Fund may be accessed at the end of each month.

No members of the Investment Committee have any conflict of interest with any current investment firms.

Purpose of transactions in excess of \$1 million:  
 -None







