National Homebuyers Fund Inc. (NHF) Board of Directors Meeting



July 15, 2020 9:30 A.M.

1215 K Street, Suite 1650 Sacramento, CA 95814 (916) 384-1600



Board of Directors Meeting Wednesday, July 15, 2020 – 9:30 a.m. 1215 K Street, Suite 1650 Sacramento, CA 95814

In accordance with Executive Orders N-25-20 and N-29-20, the July 15, 2020 NHF Board of Directors meeting will be held virtually.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

The July 15, 2020 NHF Board of Directors Meeting will be facilitated virtually through Zoom. Members of the public can watch or listen to the meeting using one of the following methods:

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

Go to: https://rcrcnet.zoom.us/j/91839327359

Enter Password: 106156

2. Call-in and listen to the meeting:

Dial +1 (669) 900-9128

Enter meeting ID: 918 3932 7359

Enter password: 106156

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 NHF Board 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 NHF at (916) 447-4806 or by email at mdemelo@rcrcnet.org by 9:30 a.m. Tuesday, July 14th to ensure arrangements for accommodation.

NHF Board of Directors:

Supervisor Kevin Cann, Mariposa County Supervisor Bob Williams, Tehama County Supervisor Daron McDaniel, Merced County Supervisor Stacy Corless, Mono County Supervisor Les Baugh, Shasta County

Agenda

1. Call to Order & Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County

2. Approval of Minutes - May 20, 2020 Board Meeting

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

3. 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.

4. NHF Quarterly Reports (Discussion and possible action relative to)

Lisa McCargar, Chief Financial Officer Milena De Melo, RCRC Controller

a.	NHF Budget v. Actual Report (May 31, 2020)	Page 4
b.	NHF Investment Report (May 31, 2020)	Page 6
C.	NHF Condensed Balance Sheet (May 31, 2020)	Page 8

5. Program Updates (discussion and possible action relative to)

a. NHF Program Investment – ACTION	Page 10
Craig Ferguson, Vice President	

6. 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 prior to the scheduled 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 Board of Directors of National Homebuyer's Fund was duly posted at its offices, 1215 K Street, Suite 1650 Street, Sacramento, CA 72 hours prior to the meeting.



Board of Directors Meeting Wednesday, May 20, 2020 9:45 a.m. 1215 K Street, Suite 1650 Sacramento CA 95814

MINUTES

Call to Order, Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County, called to order the meeting of National Homebuyers Fund, Inc. (NHF) at 9:47 a.m. A quorum was determined at that time. Those present:

Directors Present

Chair, Supervisor Kevin Cann, Mariposa County Vice Chair, Supervisor Bob Williams, Tehama County Supervisor Daron McDaniel, Merced County Supervisor Les Baugh, Shasta County Supervisor Stacy Corless, Mono County

Directors Absent

None

Others in Attendance

Greg Norton, President
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Arthur Wylene, RCRC General Council
Milena De Melo, RCRC Controller
Barbara Hayes, RCRC Chief Economic Development Officer
Sarah Bolnik, RCRC Economic Development Specialist
Terrance Rodgers, RCRC Economic Development Officer
Maggie Chui, RCRC Senior Governmental Affairs Coordinator
Layne Frederickson, RCRC IT Director
Sanjay Lee, RCRC Financial Analyst
Liz Jensen, RCRC Assistant Controller
Staci Heaton, RCRC Senior Legislative Advocate
Supervisor Lee Adams, Sierra County
Supervisor Gerry Hemmingsen, Del Norte County

Approval of Minutes of the February 19, 2020 Board Meeting

Supervisor Les Baugh, Shasta County, motioned to approve the minutes of the February 19, 2020 NHF Board of Directors Meeting. Supervisor Daron McDaniel, Merced County, seconded the motion. Motion unanimously passed by a roll call vote.

AYE: Supervisor Kevin Cann, Mariposa County, Supervisor Bob Williams, Tehama County, Supervisor Daron McDaniel, Merced County, Supervisor Les Baugh, Shasta County, Supervisor Stacy Corless, Mono County

NO: None Abstain: None Absent: None

Public Testimony

None

NHF Quarterly Reports

Milena De Melo, RCRC Controller, presented the Quarterly NHF Investment Report, Budget Report, and Condensed Balance Sheet for quarter ending March 31, 2020.

Program Updates

Craig Ferguson, Vice President, provided the NHF Board of Directors an update on the current housing programs.

Recess

Chair, Supervisor Kevin Cann, Mariposa County Recessed the NHF Board of Directors Meeting at 10:01 a.m.

Chair, Supervisor Kevin Cann, Mariposa County called to order the NHF Board of Directors Meeting at 10:49 a.m.

Approval of the 2019 NHF Audited Financial Statements

Lisa McCargar, Chief Financial Officer, and Milena De Melo provided an overview of the NHF 2019 Financial Statements.

Recommendation

It is recommended that the NHF Board of Directors review, approve, and adopt the 2019 audited financial statements and communications letter as presented.

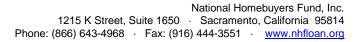
Supervisor Bob Williams, Tehama County, motioned to approve the 2019 NHF Audited Financial Statements and Communications letter. Supervisor Staci Corless, Mono County, seconded the motion. Motion unanimously passed by a roll call vote.

AYE: Supervisor Kevin Cann, Mariposa County, Supervisor Bob Williams, Tehama County, Supervisor Daron McDaniel, Merced County, Supervisor Les Baugh, Shasta County, Supervisor Stacy Corless, Mono County

NO: None Abstain: None Absent: None

Adjournment

Chair, Supervisor Kevin Cann, Mariposa County Adjourned the NHF Board of Directors Meeting at 10:52 a.m.





From: Lisa McCargar, Chief Financial Officer Milena De

Melo, RCRC Controller

Date: July 7, 2020

Re: NHF Budget v. Actual Report (May 31, 2020)

Summary

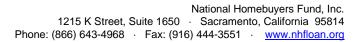
The Statement of Revenues and Expenses for NHF provides a budget to actual comparison for the five months ended May 31, 2020.

Attachment

• NHF Statement of Revenues and Expenses, Budget vs. Actual, for the Five Months Ended May 31, 2020.

NATIONAL HOMEBUYERS FUND 2020 BUDGET v. ACTUAL May 31, 2020

Income:		2020 ANNUAL Budget		Five Months Ended May 31, 2020 Budget		Five Months Ended May 31, 2020 Actual		Variance avorable/ nfavorable)	Percent Favorable/ Unfavorable)	
Housing Program Revenue	\$	9,400,000	\$	3,916,665	\$	3,398,243	\$	(518,422)	-13.2%	
Program Management Fee Revenue		1,900,000		791,665		765,087		(26,578)	-3.4%	
2nd Mortgage Interest		315,000		131,250		107,024		(24,226)	-18.5%	
Interest Income		1,000,000		416,665		402,894		(13,771)	-3.3%	
Unrealized Capital Gains(Loss)		20,000		8,335		687,978		679,643	8154.1%	
Total Income	\$	12,635,000	\$	5,264,580	\$	5,361,226	\$	96,646	1.8%	
Expenditures:										
Accounting & Auditing	\$	16,000	\$	6,665	\$	17,208	\$	(10,543)	-158.2%	
Business Development and Expansion		100,000		41,665		6,786		34,879	83.7%	
Consultants		250,000		104,165		92,500		11,665	11.2%	
Contract Support Services		1,930,000		804,165		804,167		(2)	0.0%	
County MCC Fees		125,000		52,085		(2,900)		54,985	105.6%	
Custodian / Trustee Fees		16,000		6,665		7,500		(835)	-12.5%	
Dues, Fees & Subscriptions		22,000		9,165		7,950		1,215	13.3%	
Excess Resources to RCRC		1,000,000		416,665		250,000		166,665	40.0%	
Insurance		41,000		17,085		16,681		404	2.4%	
Legal Services		300,000		125,000		10,574		114,426	91.5%	
Loan Losses		100,000		41,665		16,778		24,887	59.7%	
Meetings		1,000		415		-		415	100.0%	
Miscellaneous		5,000		2,085		-		2,085	100.0%	
Gift Program		8,000,000		3,333,335		2,808,165		525,170	15.8%	
Pipeline Services		60,000		25,000		12,500		12,500	50.0%	
Rent		68,400		28,500		26,523		1,977	6.9%	
Sponsorships		100,000		41,665		37,358		4,307	10.3%	
Total Expenditures	\$	12,134,400	\$	5,055,990	\$	4,111,790	\$	944,200	18.7%	
Net Revenue Over Expenditures	\$	500,600	\$	208,590	\$	1,249,436	\$	1,040,846	499.0%	





From: Lisa McCargar, Chief Financial Officer

Milena De Melo, RCRC Controller

Date: July 7, 2020

Re: Investment Report for the Five Months Ended May 31, 2020

Summary

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

The CalTRUST yields are the funds' reported May 31st yields.

Attachment

NHF Investment Report for the Five Months Ended May 31, 2020

NATIONAL HOMEBUYERS FUND

Investment Report

For the Five Months Ended May 31, 2020

	Total		CalTRUST Short-Term		CalTRUST Medium-Term		
Balance 12/31/2019 *	\$	42,042,721	\$	\$ 9,945,029		32,097,691	
Additions		-		-		-	
Withdrawals		-		-		-	
Interest (includes accrued)		197,696		44,528		153,168	
Capital Gain/(Loss)		288,630		(29,803)		318,433	
Balance 3/31/2020 *	\$	42,529,047	\$	9,959,754	\$	32,569,292	
Additions		-		-		-	
Withdrawals		-		-		-	
Interest (includes accrued)		108,394		20,696		87,699	
Capital Gain/(Loss)		399,348		79,542		319,806	
Balance 5/31/2020 *	\$	43,036,789	\$	10,059,991	\$	32,976,797	

	Reported as of N	Reported as of May 31, 2020					
Yield:	Short Term	Mid Term					
Annualized One Year	2.02%	2.02%					
Average Maturity (days)	310	774					
90 Day Treasury Bill Rate	0.14%						

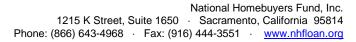
All current cash investments are held in CalTrust's Short-Term Fund or Medium-Term Fund. Cash in the CalTRUST Short-Term Fund may be accessed within 24 hours. Cash in the CalTRUST Medium-Term Fund may be accessed at the end of each month.

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

* Amounts shown include accrued interest at the end of the period.

Purpose of transactions in excess of \$1 million:

-None





From: Lisa McCargar, Chief Financial Officer

Milena De Melo, RCRC Controller

Date: July 7, 2020

Re: NHF Condensed Balance Sheet (May 31, 2020)

Summary

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

Attachment

• NHF Condensed Balance Sheet, as of May 31, 2020.

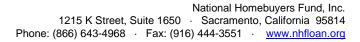
National Homebuyers Fund Condensed Balance Sheet (Unaudited) May 31, 2020

	May 31, 2020		December 31, 2019		December 31, 2018		
Assets			(
Cash in Banks	\$	7,667,143	\$	5,677,895	\$	2,528,342	
Cash in Securities Brokerage Account		30,568,653		32,337,265		33,121,391	
Cash in CalTRUST		42,987,691		41,969,413		40,481,636	
Accounts Receivable and Other Assets *		1,334,837		288,644		829,798	
Accounts Receivable, Proceeds from Sale of							
Securities **		5,235,078		12,820,234		32,634,297	
Second Mortgages Receivable, less Loan Loss							
Allowance ***		2,784,269		3,147,685		4,416,704	
Total Assets	\$	90,577,671	\$	96,241,136	\$	114,012,168	
Liabilities							
Accounts Payable	\$	590,813	\$	11,292	\$	119,194	
Accounts Payable, Securities to be Purchased, at		,		,		,	
Fair Value **		5,320,351		12,812,773		32,711,641	
Total Liabilities	\$	5,911,164	\$	12,824,065	\$	32,830,835	
Net Position	\$	84,666,507	\$	83,417,071	\$	81,181,334	

^{*} Includes \$764,465, \$179,799 and \$707,186 as of May 31, 2020, and December 31, 2019 and December 31, 2018, respectively, of accounts receivable from affiliated entities.

^{**} Balances offset each other for a net impact on Statement of Revenues, Expenses, and Changes in Net Position of (\$85,273), \$7,461 and (\$77,344) as of May 31, 2020, December 31, 2019, and December 31, 2018, respectively.

^{***} Loan loss allowance of \$250,000 as of May 31, 2020, December 31, 2019 and December 31, 2018, for all types of mortgages has been included as a reduction of amounts outstanding.





From: Craig Ferguson, Vice President July

Date: July 7, 2020

Re: NHF Program Investment - ACTION

Summary

At the May 2nd, 2019 Board Meeting, the NHF Board of Directors approved a commitment of up to \$10MM of existing resources to provide down payment assistance (DPA) in the form of second mortgage loans in conjunction with the existing DPA program/s.

The implementation of these funds into a program has seen delays due to certain market factors, although we are moving forward again with one of our lending partners to implement the original program in multiple states.

NHF is working with another one of our lending partners to develop an additional multistate program, which will also require the use of NHF existing resources. Once the programs are implemented, we believe, under current market conditions, the committed resources will be utilized very quickly, and therefore we are requesting NHF commit an additional \$10MM of existing resources to proactively prepare for the two programs.

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

Recommendation

It is recommended the NHF Board of Directors approve an additional commitment of up to \$10MM, totaling \$20MM, of existing resources to provide DPA in the form of second mortgage loans in conjunction with the existing DPA program/s.