

**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**



National Homebuyers Fund, Inc.
1215 K Street, Ste 1650 · Sacramento, California 95814
Phone: 866-643-4968 · Fax: 916-444-3551 · www.nhfloan.org

**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** **Page 1**
(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.



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To: NHF Board of Directors
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

	2020 ANNUAL Budget	Five Months Ended May 31, 2020 Budget	Five Months Ended May 31, 2020 Actual	Variance Favorable/ Unfavorable)	Percent Favorable/ Unfavorable)
Income:					
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%



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To: NHF Board of Directors
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

Yield:	Reported as of May 31, 2020	
	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



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To: NHF Board of Directors
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.



To: NHF Board of Directors
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 multi-state 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.