



National Homebuyers Fund Inc. (NHF)

Board of Directors Meeting

**Wednesday
July 13, 2022
9:30 A.M.**

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

National Homebuyers Fund, Inc.
Board of Directors Meeting
Wednesday, July 13, 2022 – 9:30 a.m.
1215 K Street, Suite 1650
Sacramento, CA 95814

NHF Board of Directors:

Supervisor Bob Williams, Tehama County
Supervisor Daron McDaniel, Merced County
Supervisor Dan Miller, Nevada County
Supervisor Doug Teeter, Butte County
Supervisor Jack Garamendi, Calaveras County

In accordance with Government Code section 54953, subdivision (e) (Assembly Bill 361), the July 13, 2022 NHF Board of Directors Meeting will be facilitated virtually through Zoom with limited in-person attendance. Members of the public may attend the meeting in-person, provided that the NHF Board of Directors reserve the right to limit the number of people in attendance. Members of the public can also 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/87814734120?from=addon>

Enter Password: 292287

2. Call-in and listen to the meeting:

Dial +1 (669) 900-9128

Enter meeting ID: 878 1473 4120

Enter password: 292287

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 mchui@rcrcnet.org before or during the meeting. All emailed public comments will be forwarded to all NHF Board of Directors members.

DISABLED ACCOMMODATION: Meeting facilities are accessible to persons with disabilities. If you have a disability which requires an accommodation or an alternative means to assist you in attending, observing, or commenting on this meeting, or an alternative agenda document format, please contact NHF at (916) 447-4806 or by email at mchui@rcrcnet.org by 9:30 a.m. Tuesday, July 12th to ensure arrangements for accommodation.

AGENDA

1. Call to Order & Determination of Quorum

Chair, Supervisor Bob Williams, Tehama County

2. Public Comments

At this time any member of the public may address the Board. Speakers are asked to state their name for the record, but not required to do so. Comments are usually limited to no more than 3 minutes per speaker.

3. Consent Agenda – ACTION

a. May 11, 2022 Board of Directors Meeting Minutes

Page 1

**b. NHF Resolution TC003-22: Authorizing Remote and Hybrid
Teleconference Meetings of the NHF Board of Directors Pursuant
to Assembly Bill 361**

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Arthur J. Wylene, RCRC General Counsel

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

Milena De Melo, RCRC Interim Finance Director

a. NHF Condensed Balance Sheet (May 31, 2022)

b. NHF Investment Report (May 31, 2022)

c. NHF Budget v. Actual Report (May 31, 2022)

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

Craig Ferguson, Vice President

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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.

**National Homebuyers Fund, Inc.
Board of Directors Meeting
Wednesday, May 11, 2022 - 9:30 a.m.
1215 K Street, Suite 1650
Sacramento CA 95814**

MINUTES

Call to Order, Determination of Quorum

NHF Chair, Supervisor Bob Williams, Tehama County, presided. Present were President Patrick Blacklock, RCRC General Counsel Arthur J. Wylene, and RCRC Director of Board Operations Maggie Chui, clerk. NHF Chair Williams called the meeting to order at 9:30 a.m. A quorum was determined at that time. Those members present:

Directors

Chair, Supervisor Bob Williams, Tehama County
Vice Chair, Supervisor Daron McDaniel, Merced County*
Supervisor Dan Miller, Nevada County
Supervisor Jack Garamendi, Calaveras County*

Absent

Supervisor Doug Teeter, Butte County

*Attendance via Zoom

Public Comment

None

Consent Agenda

- a. **February 9, 2022 Board of Directors Meeting Minutes**
- b. **NHF Resolution TC002-22: Authorizing Remote and Hybrid Teleconference Meetings of the NHF Board of Directors Pursuant to Assembly Bill 361**

Chair, Supervisor Bob Williams, Tehama County, called for approval of the above-listed consent agenda items.

Supervisor Dan Miller, Nevada County, motioned to approve the following: Minutes from the February 9, 2022 Board of Directors Meeting; and, NHF Resolution TC002-22. Supervisor Jack Garamendi, Calaveras County, seconded the motion. Motion passed with all Supervisors present voting "Aye," except:

Not Voting: Merced County

Approval of Audited Financial Statements – December 31, 2021

Lisa McCargar, Chief Financial Officer, presented the NHF Board of Directors with the 2021 Audited Financial Statements. Ms. McCargar reviewed the financial statements, the performance for the year, the net position and performance compared to the budget. Ms. McCargar noted that Moss Adams LLP will provide a presentation at the scheduled Simultaneous Meeting.

Recommendation

It was recommended that the NHF Board of Directors review, approve and adopt the 2021 audited financial statements and communications letter as presented.

Supervisor Dan Miller, Nevada County, motioned to approve the 2021 audited financial statements and communications letter as presented for final issuance. Supervisor Daron McDaniel, Merced County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

NHF Condensed Balance Sheet (March 31, 2022)

Milena De Melo, RCRC Controller, presented the NHF Condensed Balance Sheet as of March 31, 2022, 2021, and 2020.

NHF Investment Report (March 31, 2022)

Milena De Melo presented the NHF Quarterly Investment Report which provided a summary of investment transactions from December 31, 2021, to March 31, 2022.

NHF Budget v. Actual Report (March 31, 2022)

Milena De Melo presented the NHF Statement of Revenues and Expenses which provided a summary of budget to actual comparison for quarter ended March 31, 2022.

Program Updates

Craig Ferguson, Senior Vice President, provided an update on current programs to the NHF Executive Committee, including NHF’s and the Golden State Finance Authority’s (NHF affiliate entity) down payment assistance programs.

Peter Tran, RCRC Director of Operations, provided a brief update on the California Housing Finance Agency’s home loan program.

Adjournment

NHF Chair, Supervisor Bob Williams, Tehama County, adjourned the NHF Board of Directors Meeting at 9:56 a.m.



To: Members of the NHF Board of Directors
From: Arthur J. Wylene, RCRC General Counsel
Date: July 5, 2022
Re: NHF Resolution TC003-22: Authorizing Remote and Hybrid
Teleconference Meetings of the NHF Board of Directors Pursuant to
Assembly Bill 361 – **ACTION**

Summary

The proposed resolution will allow the current NHF Board of Directors meeting to be held primarily in-person at the RCRC offices, while still permitting full remote participation for those members who are unable to attend in person, or prefer to participate virtually.

Background

In accordance with Section 5(k) of the NHF Bylaws, meetings of the NHF Board of Directors are conducted pursuant to the provisions of the Ralph M. Brown Act. The Brown Act has traditionally placed significant restrictions on teleconferenced meetings, including requiring that each teleconference location be accessible to the public (i.e., participation of Board members from homes or private offices has not been permitted).

In the early days of the COVID-19 pandemic, the Governor issued a series of Executive Orders temporarily suspending the restrictions on teleconferenced meetings, under which most NHF Board meetings have been conducted during the last year-and-a-half. These Executive Orders terminated on September 30, 2021. In their place, the Legislature has enacted Assembly Bill 361 (R. Rivas), which permits legislative bodies to continue holding teleconferenced meetings without the traditional Brown Act restrictions (through December 2023) under any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a

result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

To continue holding teleconferenced meetings in the manner to which Board members have become accustomed, each of NHF's legislative bodies will need to make the alternative determinations required by Assembly Bill 361. These determinations are factually supportable, as the continued rates of transmission of the COVID-19 virus, including the Omicron variant, can indeed present imminent risks to the health and safety of some in-person attendees, particularly those with pre-existing health conditions.

If the proposed resolution making these determinations is approved, the Board may continue holding remote and hybrid meetings in substantially the same manner as it has during the past 18 months. (Assembly Bill 361 includes several additional requirements for teleconferenced meetings, including providing an opportunity for "real time" public comment, and suspending the meeting in the event that remote connectivity is lost; however, these are all consistent with NHF's existing practices.)

Assembly Bill 361 generally requires that the requisite determinations must be reconsidered every thirty days. Since NHF's legislative bodies typically do not meet that frequently, a new resolution making these determinations will be required at the start of each meeting.

Recommendation

It is recommended that the Board of Directors approve the proposed Resolution Authorizing Remote and Hybrid Teleconference Meetings of the NHF Board of Directors Pursuant to Assembly Bill 361.

Attachment

- Proposed Resolution TC003-22

NHF RESOLUTION NO. TC003-22

RESOLUTION OF THE BOARD OF DIRECTORS OF NATIONAL HOMEBUYERS FUND AUTHORIZING REMOTE AND HYBRID TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS PURSUANT TO ASSEMBLY BILL 361

WHEREAS, National Homebuyers Fund (NHF) is committed to preserving and nurturing public access and participation in meetings of NHF's legislative bodies; and

WHEREAS, the Brown Act, Government Code section 54953, subdivision (e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953, subdivision (b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, on March 4, 2020, the Governor proclaimed pursuant to his authority under the California Emergency Services Act, California Government Code section 8625, that a state of emergency exists with regard to a novel coronavirus (a disease now known as COVID-19); and

WHEREAS, on June 4, 2021, the Governor clarified that the "reopening" of California on June 15, 2021 did not include any change to the proclaimed state of emergency or the powers exercised thereunder; and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent resolution in the state Legislature; and

WHEREAS, the continued rates of transmission of the virus and variants causing COVID-19 within California are such that meeting in person would present imminent risks to the health or safety of some attendees of public meetings, particularly those with pre-existing health conditions;

WHEREAS, the Board of Directors has considered the current circumstances of the state of emergency, and determined that the state of emergency continues to directly impact the ability of the members to meet safely in person;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the National Homebuyers Fund as follows:

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

2. A proclaimed state of emergency exists and as a result of the emergency, meeting in person would present imminent risks to the health or safety of some attendees, particularly those with pre-existing health conditions.
3. The Board of Directors is hereby authorized and directed to conduct open and public meetings in accordance with Government Code section 54953, subdivision (e) and other applicable provisions of the Brown Act.
4. This Resolution is intended to enable the Board of Directors to meet via teleconference in accordance with Assembly Bill 361 of 2021 (Statutes 2021, Chapter 165), whether solely by teleconference or via a "hybrid" combination of physical location and teleconference.
5. This Resolution shall take effect immediately upon its adoption and shall be effective for a period of thirty (30) days thereafter, unless extended pursuant to Government Code section 54953, subdivision (e)(3). Expiration of this resolution shall not prejudice any subsequent action to adopt another resolution in accordance with Government Code section 54953, subdivision (e) during the present or any future state of emergency.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the National Homebuyers Fund, the 13th day of July 2022.

Secretary's Certificate

I certify that the foregoing is a true and accurate description of action taken at a properly constituted meeting of the Board of Directors of National Homebuyers Fund, Inc. on July 13, 2022.

Secretary's Signature



To: Members of the NHF Board of Directors
From: Milena De Melo, RCRC Interim Finance Director
Date: July 5, 2022
Re: NHF Condensed Balance Sheet (May 31, 2022)

Summary

The Condensed Balance Sheet provides an overview of the Net Position of NHF as of May 31, 2022, compared to audited Net Position as of December 31, 2021 and 2020.

NHF's net position remains strong at \$88.6 million. Items of significance include:

- Total cash and cash equivalents totaling approximately \$84.8 million, a decrease of approximately \$1.5 million compared to December 2021.
- Second mortgages receivable, less loan loss allowance of approximately \$3.7 million, an increase of \$940 thousand compared to December 2021.

Attachment

- NHF Condensed Balance Sheet as of May 31, 2022.

National Homebuyers Fund Inc.
Condensed Balance Sheet
May 31, 2022

	(Unaudited) May 31, 2022	Audited	
		December 31, 2021	December 31, 2020
Assets			
Cash in banks, brokerage, and CalTrust	\$ 84,814,466	\$ 86,306,606	\$ 84,404,776
Accounts receivable and other assets	1,387,868	2,873,844	1,309,290
Accounts receivable, proceeds from sale of securities *	2,186,504	3,003,633	22,573,125
Second mortgages receivable, less loan loss allowance **	3,651,830	2,711,443	2,827,110
Total assets	\$ 92,040,668	\$ 94,895,526	\$ 111,114,301
Liabilities			
Accounts payable	\$ 1,273,737	\$ 2,285,514	\$ 751,304
Accounts payable, securities to be purchased, at fair value *	2,161,309	3,002,656	22,708,867
Total liabilities	\$ 3,435,046	\$ 5,288,170	\$ 23,460,171
Net position, unrestricted	\$ 88,605,622	\$ 89,607,356	\$ 87,654,130

* Balances offset each other for a net impact on Statement of Revenues, Expenses, and Changes in Net Position in amounts of \$25,195, \$977, and (\$135,742) as of May 31, 2022, December 31, 2021, and December 31, 2020, respectively.

** Net of loan loss allowance of \$175,000 as of May 31, 2022, December 31, 2021 and December 31, 2020, has been included as a reduction of mortgage receivables outstanding.



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To: Members of the NHF Board of Directors
From: Milena De Melo, RCRC Interim Finance Director
Date: July 5, 2022
Re: NHF Investment Report (May 31, 2022)

Summary

In accordance with NHF's investment policy, we are providing the NHF investment report. This report provides a summary of investment transactions from December 31, 2021 to May 31, 2022. Investment returns by investment type and a comparison to the 90-day Treasury Rate for the most recent period of May 31, 2022 have been included.

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

Attachment

- NHF Investment Report for the Period Ended May 31, 2022

NATIONAL HOMEBUYERS FUND INC.
Investment Report
For the Period Ended May 31, 2022

	Total	CalTRUST Short-Term	CalTRUST Medium-Term
Balance 12/31/2021 *	\$ 35,079,375	\$ 2,090,427	\$ 32,988,948
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	46,212	1,187	45,025
Capital Gain/(Loss)	(852,536)	(10,382)	(842,154)
Balance 03/31/2022 *	\$ 34,273,051	\$ 2,081,232	\$ 32,191,819
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	53,043	1,966	51,077
Capital Gain/(Loss)	(64,745)	1	(64,746)
Balance 05/31/2022 *	\$ 34,261,349	\$ 2,083,199	\$ 32,178,150

Yield:

Annualized One Year
Average Maturity (days)
90 Day Treasury Bill Rate

Reported as of May 31, 2022	
Short Term	Mid Term
0.24%	0.49%
292	777
1.16%	

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 within 72 hours.

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

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

Purpose of transactions in excess of \$1 million:

- None



To: Members of the NHF Board of Directors
From: Milena De Melo, RCRC Interim Finance Director
Date: July 5, 2022
Re: NHF Budget v. Actual Report (May 31, 2022)

Summary

The Statement of Revenues and Expenses for NHF provides a budget to actual comparison for the period ended May 31, 2022.

NHF's expenditures exceeded revenues by approximately \$1 million, resulting in a \$1.5 million unfavorable variance from the 2022 budget. Items of significance include:

- An unrealized loss on investments of \$917,000 - This amount is unrealized and is due to lower performance from less-than-favorable market conditions.
- An unfavorable variance of approximately \$4.4 million in housing program revenue - Market instability has had a negative impact on loan production, resulting in lower revenue. This variance, however, is substantially offset by the favorable \$4 million variance in down payment assistance, resulting in a net unfavorable variance of approximately \$400,000.

Attachment

- NHF Statement of Revenues and Expenses, Budget vs. Actual, for the Period Ended May 31, 2022.

NATIONAL HOMEBUYERS FUND, INC.
2022 BUDGET vs ACTUAL
For the period ended May 31, 2022

Revenue:	2022 Annual Budget	Period ended May 31, 2022 Budget	Period ended May 31, 2022 Actual	Variance favorable / (unfavorable)	Percent favorable / (unfavorable)
Housing Program Revenue	\$ 18,987,500	\$ 7,911,458	\$ 3,544,908	\$ (4,366,550)	-55.2%
Program Management Fee Revenue	1,540,000	641,667	350,470	(291,197)	-45.4%
2nd Mortgage Interest	187,000	77,917	81,951	4,034	5.2%
Interest and Dividend Income	150,000	62,500	104,656	42,156	67.4%
Unrealized Capital Gains / (Loss)	20,000	8,333	(917,281)	(925,614)	-11107.4%
Total revenues:	\$ 20,884,500	\$ 8,701,875	\$ 3,164,704	\$ (5,537,171)	-63.6%
Expenditures:					
Accounting & Auditing	\$ 27,050	\$ 11,271	\$ 23,925	\$ (12,654)	-112.3%
Banking	2,000	833	300	533	64.0%
Business Development and Expansion	100,000	41,667	15,591	26,076	62.6%
Consultants	205,000	85,417	87,500	(2,083)	-2.4%
Contract Support Services	2,608,800	1,087,000	1,087,000	-	0.0%
County MCC Fees	-	-	-	-	0.0%
Custodian / Trustee Fees	-	-	624	(624)	100.0%
Dues, Fees & Subscriptions	22,500	9,375	14,308	(4,933)	-52.6%
Excess Resources to RCRC	750,000	187,500	187,500	-	0.0%
Insurance	48,500	20,208	18,472	1,736	8.6%
Legal Services	50,000	20,833	97	20,736	99.5%
Loan Losses	50,000	20,833	-	20,833	100.0%
Meetings	1,000	417	-	417	100.0%
Miscellaneous	1,000	417	-	417	100.0%
Gift Program	16,000,000	6,666,667	2,655,364	4,011,303	60.2%
Pipeline Services	40,000	16,667	12,500	4,167	25.0%
Rent	64,050	26,688	25,899	789	3.0%
Sponsorships	60,000	25,000	37,358	(12,358)	-49.4%
Total expenditures:	\$ 20,029,900	\$ 8,220,792	\$ 4,166,438	\$ 4,054,354	49.3%
Net (expenditures) over revenues:	\$ 854,600	\$ 481,083	\$ (1,001,734)	\$ (1,482,817)	-308.2%



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To: Members of the NHF Board of Directors
From: Craig Ferguson, Vice President
Date: July 5, 2022
Re: Program Updates

Summary

A verbal program update will be provided at the NHF Board of Directors Meeting.