

April 12, 2018

MINUTES

Attest: Clari Jannarion

California Housing Finance Agency (CalHFA)

Board of Directors Meeting

March 15, 2018

Meeting noticed on March 5, 2018

1. ROLL CALL

The California Housing Finance Agency Board meeting was called to order at 10:01 a.m. by Acting Chair Gunning. A quorum of members was present.

MEMBERS PRESENT: Avila Farias, Schaefer (for Chiang), Onodera (for Cohen), Gallagher, Gunning, Hunter, Patterson, von Koch-Liebert (for Podesta), Prince, Russell, Sotelo

MEMBERS ARRIVING AFTER ROLL CALL: Gunn (for Imbasciani), Metcalf

MEMBERS ABSENT: Alex, Johnson-Hall

STAFF PRESENT: Michael Carroll, Don Cavier, Larry Flood, Melissa Flores, Tim Hsu, Marc Victor

2. APPROVAL OF MINUTES – February 15, 2018

The minutes were approved by unanimous consent of members present.

3. CHAIRMAN/EXECUTIVE DIRECTOR COMMENTS

Executive Director comments:

- a) Reported that she, Board members Metcalf and Prince, and a few CalHFA staff attended the National Council of State Housing Agencies' (NCSHA's) annual Legislative Conference in Washington, D.C. on March 5-7, 2018, during which NCSHA appointed a new Executive Director, Stockton Williams.
- b) CalHFA is advocating for an extension of the Federal Finance Bank HUD Risk Share program.
- c) Job bulletins have been posted, and CalHFA is actively recruiting, for General Counsel and Director of Legislation positions, and hope to have them filled by the end of the fiscal year.
- d) CalHFA is currently hosting a meeting of Western HFAs (Washington and Oregon), and Board members are invited to participate after Board meeting.

4. REPORT OF THE CHAIR OF THE EXECUTIVE EVALUATION COMMITTEE

Committee Chair Gunning reported that the Executive Evaluation Committee met prior to the Board meeting to begin the process of evaluating the performance of Executive Director. The Committee will meet again, and will bring its evaluation and recommendation to the full Board at the next meeting.

5. UPDATE ON ASSET MANAGEMENT ORGANIZATIONAL ASSESSMENT

Carroll introduced management consultant, Ben Frank, whom CalHFA engaged to perform an organizational assessment of CalHFA's Asset Management Division, as part of the Agency's effort to mitigate deficiencies and repeated audit findings in the division. Ben Frank presented the findings of his assessment, and suggested solutions to improve the effectiveness and efficiency of the division. Transition to implement new policies, procedures and workload model has begun. Carroll will monitor the Division's progress; Ben Frank will conduct a follow-up review, and results will be presented at CalHFA's June Board meeting.

BUSINESS ITEMS:

6. Support the adoption of a resolution authorizing the Agency's single family bond indentures, the issuance of single family bonds, credit facilities for homeownership purposes, and related financial agreements and contracts for services – Resolution No. 18-08.

Presented by Flood and Hsu.

On a motion by Sotelo, the Board approved staff recommendation for Resolution 18-08. The votes were as follows:

AYES: Avila Farias, Schaefer (for Chiang), Gallagher, Gunn (for Imbasciani), Hunter, Metcalf, Prince, von Koch-Liebert (for Podesta), Sotelo, Russell, Gunning

NOES: None.

ABSTAIN: None.

ABSENT: Johnson-Hall

7. Support the adoption of a resolution authorizing the Agency's single family non-bond financing mechanisms for homeownership purposes, and related financial agreements and contracts for services – Resolution No. 18-09.

Presented by Flood and Hsu.

On a motion by Hunter, the Board approved staff recommendation for Resolution 18-09. The votes were as follows:

AYES: Avila Farias, Schaefer (for Chiang), Gallagher, Gunn (for Imbasciani), Hunter, Metcalf, Prince, von Koch-Liebert (for Podesta), Sotelo, Russell, Gunning

NOES: None.

ABSTAIN: None.

ABSENT: Johnson-Hall

8. Support the adoption of a resolution authorizing the financing of the Agency's multifamily housing program, the issuance of multifamily bonds, the Agency's multifamily bond indentures, credit facilities for multifamily purposes, and related financial agreements and contracts for services – Resolution No. 18-10.

Presented by Flood and Hsu.

On a motion by Russell, the Board approved staff recommendation for Resolution 18-10. The votes were as follows:

AYES: Avila Farias, Schaefer (for Chiang), Gallagher, Gunn (for Imbasciani), Hunter, Metcalf, Prince, von Koch-Liebert (for Podesta), Sotelo, Russell, Gunning

NOES: None.

ABSTAIN: None.

ABSENT: Johnson-Hall

9. Support the adoption of a resolution authorizing the financing of the Agency's multifamily housing program from non-bond sources, and related financial agreements and contracts for services – Resolution No. 18-11.

Presented by Flood and Hsu.

On a motion by Sotelo, the Board approved staff recommendation for Resolution 18-11. The votes were as follows:

AYES: Avila Farias, Schaefer (for Chiang), Gallagher, Gunn (for Imbasciani), Hunter, Metcalf, Prince, von Koch-Liebert (for Podesta), Sotelo, Russell, Gunning

NOES: None.
ABSTAIN: None.
ABSENT: Johnson-Hall

10. Support the adoption of a resolution approving applications to the California Debt Limit Allocation Committee for private activity bond allocations for the Agency's homeownership and multifamily programs – Resolution No. 18-12.

Presented by Flood and Hsu.

On a motion by Russell, the Board approved staff recommendation for Resolution 18-12.
The votes were as follows:

AYES: Avila Farias, Schaefer (for Chiang), Gallagher, Gunn (for Imbasciani), Hunter, Metcalf, Prince, von Koch-Liebert (for Podesta), Sotelo, Russell, Gunning

NOES: None.

ABSTAIN: None.

ABSENT: Johnson-Hall

- Sotelo remarked that in regards to single-family development and loan product, a report back on the impact of Mortgage Credit Certificates sometime in the next quarter would be helpful.

11. Support the adoption of a resolution supporting the submission of fiscal year 2019 federal non-defense appropriations request to extend the Federal Finance Bank and Department of Housing and Urban Development Partnership and Housing Finance Agencies – Resolution No. 18-13.

Presented by Patterson and Carroll.

On a motion by Metcalf, the Board approved staff recommendation for Resolution 18-13.
The votes were as follows:

AYES: Avila Farias, Schaefer (for Chiang), Gallagher, Gunn (for Imbasciani), Hunter, Metcalf, Prince, von Koch-Liebert (for Podesta), Sotelo, Russell, Gunning

NOES: None.

ABSTAIN: None.

ABSENT: Johnson-Hall

12. REPORTS

- Hunter commended staff on reducing the Agency's REO portfolio from 1,300 to 12.
- Acting Chair Gunning requested that the Board be provided with the job bulletins for General Counsel and Director of Legislation.
- Prince commented on Report No. 12-C, and clarified that the purpose of Transitional Operating Reserves (TORs) is not an issue of HUD canceling a contract. Project-based vouchers are a contract between local governments and a project, and are subject to federal appropriations. In light of the proposed 15% cut at the federal level, TORs are to protect families in the event that housing authorities receive reduced funding. Patterson replied that this issue will be discussed at April's meeting to get everyone on the same wavelength regarding purpose and terminology. Sotelo commented that as we have that discussion, it is critical to know what the industry is requiring, as it varies by type of project.

13. DISCUSSION OF OTHER BOARD MATTERS

Acting Chair Gunning urged full attendance at the April 12 planning retreat. Patterson asked Board members to submit items of particular concern that they would like to see on the agenda.

14. PUBLIC TESTIMONY: DISCUSSION ONLY OF OTHER MATTERS TO BE BROUGHT TO THE BOARD'S ATTENTION

None.

15. ADJOURNMENT

As there was no further business to be conducted, Acting Chair Gunning adjourned the meeting at 11:26 a.m.
