

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (AUTHORITY)

Resolution No. 2020-01

Interagency Agreement with the State Treasurer's Office, Public Finance Division

February 27, 2020

PURPOSE OF THE REQUEST:

Staff is requesting approval of an interagency agreement with the State Treasurer's Office, Public Finance Division (PFD) to provide agent for sale services for the Authority's conduit bond issuances and agent for sale, trustee, and administrative services for No Place Like Home (NPLH) bond issuances from January 1, 2020 to December 31, 2022 (last half of fiscal year 2019-2020 through the first half of fiscal year 2022-2023) in an amount not to exceed \$1,275,000.

BACKGROUND:

The proposed contract dollar amount represents the Authority's projected needs totaling three calendar years, which spans over the next four fiscal years for agent for sale services for the Authority's conduit issuances, as well as for NPLH agent for sale, trustee, and administrative services. The proposed contract term is January 1, 2020 through December 31, 2022.

Historically, the scope of contracts between the Authority and PFD had been limited to agent for sale services for the Authority's conduit issuances only. Previous contract dollar amounts have remained below the \$300,000 contract threshold, above which would require board approval. The Executive Director executed previous contracts and reported them to the Board through his delegated authority. The issuance of NPLH bonds in November 2019 created a need for a higher contract dollar amount in order to pay NPLH invoices.

Pursuant to Government Code Section 5702, the Authority is required to employ PFD as agent for sale for all bond issuances. Government Code Section 16305.3 and State Administrative Manual Section 8001 require the Treasurer hold state funds, unless specifically authorized by statute, or the Department of Finance approves the funds be held elsewhere. Therefore, PFD will serve as the trustee for NPLH bond funds and will provide on-going administrative services for the NPLH bonds.

PFD will invoice the Authority for NPLH services, which will be paid by the Supportive Housing Program Subaccount established by the Mental Health Services Funds. The funds are transferred on a monthly basis to pay for NPLH services and are continuously appropriated to the NPLH Fund.

STAFF RECOMMENDATION:

Staff recommends approval of the proposed interagency agreement with the State Treasurer's Office, Public Finance Division with a contract term of January 1, 2020 through December 31, 2022 in the amount not to exceed \$1,275,000.

RESOLUTION NO. 2020-01

**RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY RELATING TO THE APPROVAL OF AN INTERAGENCY
AGREEMENT WITH THE STATE TREASURER'S OFFICE, PUBLIC FINANCE
DIVISION**

WHEREAS, the California Health Facilities Financing Authority (Authority) is authorized under Government Code section 15438(o) to enter into agreements or contracts necessary to carry out the powers of the Authority;

WHEREAS, the Authority has previously entered into interagency agreements with the State Treasurer's Office, Public Finance Division for agent for sale services, as mandated by Government Code Section 5702; and

WHEREAS, the State Treasurer's Office has the ability to provide agent for sale services to the Authority as well as provide trustee and administrative services for No Place Like Home bond transactions;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director, or if unavailable, the Deputy Executive Director or the Operations Manager, is hereby authorized to prepare, execute, and take whatever steps necessary to obtain all required approvals for an interagency agreement with the State Treasurer's Office, Public Finance Division in an amount not to exceed \$1,275,000 for the period of January 1, 2020 through December 31, 2022 for services described herein.

Date of Adoption: _____