

# **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

## **REGULAR MEETING \*\*\*TELECONFERENCE MEETING NOTICE and AGENDA\*\*\* LOCATIONS LISTED BELOW**

**10:30 A.M.**  
**Thursday, September 19, 2013**  
**Teleconference Phone Information**  
**(712) 432-0075 - Conference Code: 514901**

### **Call to Order and Roll Call Statement of Disclosure**

### **Approval of Minutes**

1. Approve the Regular Meeting Minutes of September 12, 2013.

### **Action Items**

2. Approve Resolution 13-40 Authorizing Issuance and Sale of Property Assessed Clean Energy and Job Creation Limited Obligation Improvement Bonds, Approving the Execution and Delivery of Documents in connection with the sale and issuance of said bonds, and other actions in connection therewith.
3. Approve Resolution 13-41 Approving Associate Membership of the Town of Paradise in the California Enterprise Development Authority and the Execution of Associate Membership Agreement Relating to said Associate Membership.
4. Approve Resolution 13-42 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Santee.

### **Public Comment**

### **Chair Report**

### **PACE Report**

### **Other Business**

### **Adjournment**

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for Local  
Economic Development  
550 Bercut Drive, Suite G  
Sacramento, CA 95811

City of Eureka City Hall  
531 K Street  
Eureka, CA 95501

Tuolumne County EDA  
99 North Washington St.  
Sonora, CA 95370

City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

City of Selma  
1710 Tucker St.  
Selma, CA 93662

Economic Development Collaborative-  
Ventura County  
1601 Carmen Drive, #215  
Camarillo, CA 93010

Los Angeles EDC  
444 S. Flower St., 37<sup>th</sup> Floor  
Los Angeles, CA 90071

City of Vista  
200 Civic Center Dr.  
Vista, CA 92084

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## **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

assistance, you may contact us before the meeting at (916) 448-8252, ext. 12.

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## MINUTES

### Regular Meeting

\*\*\*TELECONFERENCE MEETING \*\*\*

### CEDA BOARD OF DIRECTORS

Thursday, September 12, 2013

#### Teleconference Locations

California Association for Local Economic Development  
550 Bercut Drive, Suite G  
Sacramento, CA 95811

City of Selma  
1710 Tucker St.  
Selma, CA 93662

Los Angeles EDC  
444 S. Flower St., 37<sup>th</sup> Floor  
Los Angeles, CA 90071

City of Vista  
200 Civic Center Dr.  
Vista, CA 92084

City of Eureka City Hall  
531 K Street  
Eureka, CA 95501

Tuolumne County EDA  
99 North Washington St.  
Sonora, CA 95370

Economic Development Collaborative-Ventura County  
1601 Carmen Drive, #215  
Camarillo, CA 93010

City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

#### Call to Order

Gurbax Sahota, Board Chair of the California Enterprise Development Authority, called the meeting to order at 10:32 am.

#### Roll Call

Members Present: Larry Cope  
Kevin Ham (non-voting)  
Carrie Rogers (non-voting)  
Gurbax Sahota  
Bruce Stenslie  
Cindy Trobitz-Thomas

CALED Management/Staff  
Present: Michelle Stephens

Public Present: Sam Balisy, Kutak Rock  
Joe Flores, Figtree Energy Financing

#### Statement of Disclosure

None

#### Action Items

1. Approve the Regular Meeting Minutes of August 8, 2013.

**Motion:** Board Member Bruce Stenslie made the motion to approve the Regular Meeting Minutes of August 8, 2013. Board Member Cindy Trobitz-Thomas seconded the motion on the floor and it passed with the following roll call vote:

Larry Cope	Aye
Gurbax Sahota	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

2. Approve Resolution 13-29 Authorizing and Approving the Execution and Delivery of a Loan Agreement and Related Documents for the Benefit of Santa Fe Christian Schools and Other Matters Related Thereto.

**Motion:** *Board Member Bruce Stenslie made the motion to Resolution 13-29. Board Member Cindy Trobitz-Thomas seconded the motion on the floor and it passed with the following roll call vote:*

Larry Cope	Aye
Gurbax Sahota	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

**Discussion:** Michelle Stephens explained the background of this project to the Board.

3. Approve Resolution 13-30 Authorizing and Approving the Execution and Delivery of a Loan Agreement and Related Documents for the Benefit of the Hamlin School and Other Matters Related Thereto.

**Motion:** *Board Treasurer Larry Cope made the motion to approve Resolution 13-30. Board Member Bruce Stenslie seconded the motion on the floor and it passed with the following roll call vote:*

Larry Cope	Aye
Gurbax Sahota	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

**Discussion:** Ms. Stephens explained the background on this project to the board. She also explained the TEFRA process that the City and County of San Francisco has and let the Board know that their approval of this issuance was pending the TEFRA approval by San Francisco. Board Member Bruce Stenslie asked if CEDA had refinanced an ABAG issuance before to which Ms. Stephens responded yes. Bond Counsel Sam Balisy added that the refinance projects are dependent on timing and terms and CEDA works with the lenders who are leading these transactions since they are almost all private placements with banks.

4. Approve Resolution 13-31 Approving Associate Membership of the City of Chico in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.

Approve Resolution 13-32 Approving Associate Membership of the City of Oceanside in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.

Approve Resolution 13-33 Approving Associate Membership of the City of San Marcos in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.

Approve Resolution 13-34 Approving Associate Membership of the City of Stockton in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.

Approve Resolution 13-35 Approving Associate Membership of the City of Vista in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.

**Motion:** Board Member Cindy Trobitz-Thomas made the motion to approve Resolutions 13-31, 13-32, 13-33, 13-34, and 13-35. Board Member Bruce Stenslie seconded the motion on the floor and it passed with the following roll call vote:

Larry Cope	Aye
Gurbax Sahota	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

**Discussion:** Ms. Stephens explained the background on these Associate Memberships explaining that they were the result of Joe Flores's work with Figtree and these communities were interested in taking advantage of PACE bonds. She also mentioned that these memberships bring CEDA's total membership to 73.

5. Approve Resolution 13-36 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Oceanside.

Approve Resolution 13-37 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of San Marcos.

Approve Resolution 13-38 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Vista.

Approve Resolution 13-39 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the County of San Diego.

**Motion:** Board Treasurer Larry Cope made the motion to approve Resolutions 13-36, 13-37, 13-38, and 13-39. Board Member Cindy Trobitz-Thomas seconded the motion on the floor and it passed with the following roll call vote:

Larry Cope	Aye
Gurbax Sahota	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

**Discussion:** Ms. Stephens explained that these Resolutions of Intention are the first step in a two-step process to add these communities to the CEDA PACE District. Joe Flores of Figtree Energy Financing asked if it was possible to add another ROI to the agenda that day to which Mr. Balisy responded that since it was not on the agenda that was posted, it could not be added. Board Chair, Gurbax Sahota noted that there would be a CEDA meeting the following week and it could be on that agenda.

## **Public Comment**

### **Chair Report**

Ms. Sahota informed the Board of some recent meetings she participated in. Ms. Sahota met with Teveia Barnes, the new executive director of the California Infrastructure Bank (I Bank). She said the meeting went well and Ms. Barnes seemed interested in working with CEDA. The Board then discussed the I Bank's new position under Go-Biz and how they might be more active in the California finance community. Ms. Sahota also mentioned the California Statewide has an RFP for a management group. Additionally she let the Board know that she met with Mary Jo Duttra of SAFE/BIDCO and they discussed potential ways to partner in the future.

**PACE Report**

Mr. Flores told the Board that he was continuing to work with communities interested in joining CEDA. Board Member Kevin Ham asked what the marketing and roll-out plan was for San Diego County to which Mr. Flores responded that Figtree had just hired a fulltime marketing person and that he would be working on that push. Mr. Ham said it would be beneficial to get in front of the City Councils and Chambers to let them know what was happening.

**Other Business****Adjournment**

**Motion:** *Board Member Bruce Stenslie moved to adjourn the meeting. Board Treasurer Larry Cope seconded the motion. The motion passed unanimously by voice vote.*

Board Chair, Gurbax Sahota adjourned the meeting at 11:07 am.

## Staff Report

<b>Action Requested</b>	Approve Resolution 13-40 Authorizing Issuance and Sale of Property Assessed Clean Energy and Job Creation Limited Obligation Improvement Bonds, Approving the Execution and Delivery of Documents in connection with the sale and issuance of said bonds, and other actions in connection therewith.
<b>Project Description</b>	<p>The proceeds of such bonds will be used to make property-assessed energy efficiency improvements to the following parcels:</p> <p><b>Parcel 1 – 2638 Aztec Drive, Chico, California 95928</b>  <b>Parcel 2 – 12830 Rosedale Highway, Bakersfield, California 93312</b>  <b>Parcel 3 – 1701 23<sup>rd</sup> Street, Bakersfield, California 93301</b>  <b>Parcel 4 – 11261 Sunrise Park Drive, Rancho Cordova, California 95742</b>  <b>Parcel 5 – 526 S. Warm Sands Drive, Palm Springs, California 92264</b></p> <p>The initial series of the bonds are in an amount not to exceed \$1,000,000.</p>
<b>Public Benefits</b>	<p>The Program seeks to provide multiple benefits to those property owners who are desirous of the following:</p> <ul style="list-style-type: none"> <li>• Saving money by reducing their utility bill</li> <li>• Improving their residence or business</li> <li>• Promoting energy conservation</li> <li>• Stimulating the local economy</li> </ul> <p>The Program provides a local stimulus to the economy through local energy conservation-related job creation.</p> <p>Added benefits include:</p> <ul style="list-style-type: none"> <li>• Sales tax revenues from energy and water efficiency improvement installations</li> <li>• Fee revenues from permits issued for the Construction Work</li> <li>• Cleaner communities</li> </ul> <p>For property owners, the benefits include:</p> <ul style="list-style-type: none"> <li>• A no-money-down means of financing energy and water efficiency improvements</li> <li>• Fixed-rate assessment financing repaid and amortized up to 20 years</li> <li>• Financing without requiring a property appraisal</li> <li>• Reduced utility costs through energy efficiency improvements</li> </ul>
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures.</p> <ul style="list-style-type: none"> <li>■ The assessments to be provided under the financing are adequate to pay the bond</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 13-40 Authorizing Issuance and sale of Property Assessed Clean Energy and Job Creation Limited Obligation Improvement Bonds, Approving the Execution and Delivery of Documents in connection with the sale and issuance of said bonds, and other actions in connection therewith.

## **RESOLUTION NO. 13-40**

### **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

#### **RESOLUTION AUTHORIZING THE ISSUANCE OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WATER EFFICIENCY AND PROPERTY ASSESSED CLEAN ENERGY (PACE) AND JOB CREATION PROGRAM LIMITED OBLIGATION ASSESSMENT BONDS, SERIES 2013B IN AN AMOUNT NOT TO EXCEED \$1,000,000, AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER INDENTURE, SECOND SUPPLEMENTAL INDENTURE, BOND PURCHASE AGREEMENT AND PRIVATE PLACEMENT MEMORANDUM, AND AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER RELATED DOCUMENTS AND ACTIONS NECESSARY TO THE DELIVERY OF SUCH BONDS**

**WHEREAS**, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Enterprise Development Authority (the “Authority”) was organized; and

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or to enter into loan agreements in order to promote economic development; and

**WHEREAS**, pursuant to the provisions of the Act and the Agreement, the public agencies which are the contracting parties comprising the membership of the Authority are authorized to jointly exercise any power common to such contracting parties, including, without limitation, the power to acquire and dispose of property, both real and personal; and

**WHEREAS**, in 2008, the California State legislature adopted Assembly Bill 811 (codified at Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, commencing with Section 5898.12, et seq.) (“AB 811”) and Assembly Bill 474 (codified at Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, commencing with Section 5898.31, et seq.) (“AB 474”) which authorize the formation of assessment districts for the financing of the installation of energy efficient and water savings equipment (the “Improvements”) to be affixed to the property of certain property owners who voluntarily participate in the assessment district; and

**WHEREAS**, on December 15, 2011, the Authority approved its Water Efficiency and Property Assessed Clean Energy (PACE) and Job Creation Program (the “Program”); and

**WHEREAS**, pursuant to the Program, certain Member Jurisdictions (the “Participating Member Jurisdictions”) have formed contractual Energy and Water Efficiency Property Assessed Clean Energy (PACE) Assessment Districts (the “Assessment Districts”) within their boundaries



and have executed or shall execute certain Participation Agreements with the Authority (the “Participation Agreements”); and

**WHEREAS**, certain property owners within the boundaries of the Participating Member Jurisdictions (the “Property Owners”) have agreed to participate in the Program by voluntarily authorizing the recording of assessment liens (the “Assessment Liens”) on their commercial property (the “Property”) in consideration for the financing of the installation of the Improvements to be affixed to their Property; and

**WHEREAS**, the Authority desires at this time to provide for the funding of the Program by the authorization of the issuance of not to exceed \$1,000,000 California Enterprise Development Authority Water Efficiency and Property Assessed Clean Energy (PACE) and Job Creation Program Limited Obligation Improvement Bonds, Series 2013B (the “2013B Bonds”) pursuant to that certain Master Indenture of Trust dated as of July 1, 2013 (the “Master Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), and that certain Second Supplemental Indenture of Trust (the “Supplemental Indenture” and, together with the Master Indenture, the “Indenture”) by and between the Authority and the Trustee; and

**WHEREAS**, the Series 2013B Bonds shall be issued pursuant to Section 5898, et seq. of the California Streets and Highways Code and the Assessment District Act of 1915 (codified at California Streets and Highways Code Section 8500 et seq.); and

**WHEREAS**, the Series 2013B Bonds are secured by the assessments and each installment thereof (the “Assessment Installments”), including interest and penalties thereon, and the Assessment Liens shall constitute a lien against the Property on which they are recorded, until the same shall be paid; and

**WHEREAS**, pursuant to California Streets and Highways Code Section 8769, the Authority will not obligate itself to advance available Authority funds to cure any deficiency which may occur in the redemption fund created under the Indenture, but may, at its sole discretion, so advance said funds; and

**WHEREAS**, the Authority shall assign its rights to receive said Assessment Installment payments to the Trustee pursuant to the Indenture; and

**WHEREAS**, the Series 2013B Bonds will be sold only to Qualified Institutional Buyers or Accredited Investors (collectively “Qualified Investors”) as set forth in the Indenture.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the California Enterprise Development Authority, as follows:

1. Recitals. The above recitals, and each of them, are true and correct.
2. Approval of Issuance of Series 2013B Bonds; Authorization and Approval of Private Placement Memorandum, Supplemental Indenture and Bond Purchase Agreement.

(a) The Authority hereby authorizes the issuance of the Series 2013B Bonds in the

principal amount not to exceed \$1,000,000 and the preparation of certain financing documents related thereto which are necessary to carry out the issuance of said Series 2013B Bonds. The Series 2013B Bonds and the interest thereon shall be special, limited obligations of the Authority, and payment of the principal of, redemption premium, if any, and interest on, the Series 2013B Bonds shall be made solely from payment of assessment liens made by the property owners pursuant to their assessment contracts and certain moneys held under the Indenture, and the Series 2013B Bonds shall not be deemed to constitute a general obligation of the Authority or of any member of the Authority or an obligation or commitment by the Authority to expend any of its funds other than from certain funds received from the payment of assessment liens by property owners.

(b) The Chair or the Vice Chair of the Board of Directors of the Authority (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Private Placement Memorandum, the Bond Purchase Agreement and the Supplemental Indenture each in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of the Authority Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

3. Authorization to Execute and Deliver the Series 2013B Bonds; Conditions Precedent.

(a) The Authority hereby authorizes the issuance of the 2013B Bonds upon the terms as provided in the Indenture.

(b) This Resolution has expressly authorized the issuance of not to exceed \$1,000,000 principal amount of the Series 2013B Bonds which shall be sold pursuant to the Private Placement Memorandum, substantially in the form on file with the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of the Authority Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Series 2013B Bonds shall be in a principal amount of up to \$1,000,000 and shall be executed and delivered by the Trustee pursuant to the Supplemental Indenture.

(c) The Series 2013B Bonds shall have a not to exceed 30 year maturity date, subject to the provisions of subsection (e) below, and shall be issued either as serial bonds, term bonds or as a combination of term and serial bonds of such maturity amounts and dates as shall be set forth in the Bond Purchase Agreement. The Series 2013B Bonds shall be payable as to interest on March 2 and September 2 commencing on a date to be set forth in the Bond Purchase Agreement and approved by the Authorized Signatory, with optional and mandatory redemption provisions of principal thereof as set forth in the Indenture. The serial Bonds shall mature on such dates and in such principal amounts and be callable for redemption prior to maturity in such manner as set forth in the Indenture

(d) The interest rate on the Series 2013B Bonds shall not exceed an interest rate

of 12% per annum. The interest rate to be borne by the Series 2013B Bonds, and the net effective interest rate thereon, shall be determined by Del Rio Advisors, the financial advisor to the Program Administrator, based upon the then current municipal bond market for similarly rated municipal bonds with similar maturities based upon published market data reasonably available for public use. The costs of issuance, the funding of reserve funds and other Program expenses to be funded from the net available proceeds of the Series 2013B Bonds shall be in such amounts as provided in the Private Placement Memorandum.

4. Payment of Program Costs and Costs of Issuance. The Authority hereby authorizes the payment from the net available proceeds of the Series 2013B Bonds, those Program fees, Trustee fees, bond counsel, issuer counsel, disclosure counsel, underwriter's counsel, printing, preparation and distribution of the Private Placement Memorandum, and the costs of issuance as shall be approved by the Authorized Signatory.

5. Approval of the Private Placement Memorandum, Supplemental Indenture and Bond Purchase Agreement; The Authority hereby approves the forms of the Private Placement Memorandum, the Bond Purchase Agreement and the Supplemental Indenture as on file with the Chair of the Authority. The Authority authorizes and directs that said draft Private Placement Memorandum, Supplemental Indenture and Bond Purchase Agreement be converted to the final form thereof, together with those changes, modifications and revisions as may be approved by the Authorized Signatory.

6. Appointment of Bond Counsel and Disclosure Counsel. The Authority hereby approves Lewis Brisbois Bisgaard & Smith LLP ("LBBS") to serve as Bond Counsel and Disclosure Counsel to the Authority in connection with the issuance of the Series 2013B Bonds.

7. Other Actions; Authorization. All actions heretofore taken by the officers and agents of the Authority with respect to the establishment of the Program and the sale and issuance of the Series 2013B Bonds are hereby approved, confirmed and ratified. The Authorized Signatories are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things, including the expenditure of any funds for the Authority, and taking any and all actions, and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the Indenture, Supplemental Indenture, the Private Placement Memorandum and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Series 2013B Bonds in accordance with this Resolution and in order to carry out and administer the Program. The Authority hereby appoints and directs the Chair to act on behalf of the Authority in the connection with the administration of the Program and the issuance of the Series 2013B Bonds. The Authority hereby appoints its Chair as agent of the Authority for purposes of executing any and all documents and instruments, which any officer of the Authority is authorized to execute hereunder.

#### 10. Miscellaneous.

(a) All actions of the officers, directors, employees and agents of the Authority in conformity with the purpose and intent of this Resolution and in furtherance of the issuance and sale of the Series 2013B Bonds, as contemplated by this Resolution and the documents

referred to herein, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved.

(b) The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

(c) This Resolution shall take effect from and after its adoption. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

11. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the Board of Directors of the California Enterprise Development Authority on September 19, 2013.

By: \_\_\_\_\_  
Gurbax Sahota, Chair

ATTEST:

By: \_\_\_\_\_  
Michelle Stephens, Assistant Secretary

## CERTIFICATE

I, \_\_\_\_\_, Chair of the California Enterprise Development Authority hereby certify the foregoing to be a full, true and correct copy of Resolution No. 13-40 of the Board of Directors of the California Enterprise Development Authority duly adopted at its meeting of September 19, 2013.

By: \_\_\_\_\_

## Staff Report

<b>Actions Requested</b>	Approve Resolution 13-41 Approving Associate Membership of the Town of Paradise in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.
<b>Prior Actions</b>	On July 9, 2013, the Town Council of the Town of Paradise approved becoming an Associate Member in the California Enterprise Development Authority.
<b>Public Benefits</b>	Adoption of Resolution 13-41 will allow CEDA to issue bonds and other tax-exempt financings within the Town of Paradise. CEDA's issuance costs and ongoing annual fees are competitive and/or lower than other conduit issuers. The savings realized by borrowers using CEDA conduit-financing programs can then be used to further expand the underlying business and/or hire additional employees.
<b>Recommendation</b>	Staff recommends approval of Resolution 13-41 Approving Associate Membership of the Town of Paradise in The California Enterprise Development Authority and the Execution of Associate Membership Agreement Relating to said Associate Membership.

## **RESOLUTION NO. 13-41**

### **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

#### **RESOLUTION APPROVING ASSOCIATE MEMBERSHIP OF THE TOWN OF PARADISE IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND THE EXECUTION OF ASSOCIATE MEMBERSHIP AGREEMENTS RELATING TO SAID ASSOCIATE MEMBERSHIPS**

**WHEREAS**, pursuant to the provisions of the Joint Powers Act, Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the “Agreement”) for the creation of the California Enterprise Development Authority (the “Authority”); and

**WHEREAS**, pursuant to Section 2.10 of the Agreement, a local agency may be admitted as an associate member of the Authority upon approval of the Board of Directors of the Authority and the adoption by the legislative body of the local agency of a Resolution Approving an Associate Membership Agreement; and

**WHEREAS**, the Town of Paradise (the “Public Entity”) desire to join the Authority and has adopted the authorizing resolution approving an Associate Membership Agreement (the “Associate Membership Agreement”); and

**WHEREAS**, the Board of Directors desires to admit the Public Entity into the Authority as an associate member.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, AS FOLLOWS:**

**Section 1.** The Public Entity is hereby admitted as an associate member of the Authority.

**Section 2.** The Chair or the Vice Chair of the Board of Directors is hereby authorized to execute the Associate Membership Agreement with the Public Entity.

**Section 3.** This resolution shall take effect immediately upon its adoption.

The foregoing Resolution was on the 19<sup>th</sup> day of September 2013, adopted by the Board of Directors of the California Enterprise Development Authority.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Gurbax Sahota, Chair

ATTEST:

By: \_\_\_\_\_  
Michelle Stephens, Assistant Secretary



## Staff Report

<b>Action Requested</b>	Approve Resolution 13-42 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Santee.
<b>Project Background</b>	<p>The State of California, like many other states, declared its intention to promote green initiatives. On July 21, 2008, the State legislature passed AB 811 (commonly known as PACE or Property Assessed Clean Energy legislation) and other interpretative bills to facilitate energy and water efficiency retrofits to existing buildings.</p> <p>Ultimately, legislation provided a mechanism, which allowed property owners to consent to assessment of their property to pay for capital improvements for energy and water efficiency and installation of renewable energy generators (e.g. solar photovoltaic panels, fuel cells, small wind turbines).</p> <p>The California Property Assessed Clean Energy Program (“California PACE Program”) was developed by Figtree Energy Resource Company to provide a financing mechanism and template for a municipal energy and water efficiency program. California PACE has been active since 2010, and currently offers financing in 14 cities and counties.</p> <p>It is necessary for CEDA to declare its intention to commence assessment district proceedings within the jurisdictions, which have approved the California PACE Program. The adoption of the Resolution of Intention is the first step in a two-step process necessary for the implementation of CEDA’s California PACE Program in the participating member jurisdictions. These Resolutions declare the intention of the Board of Directors to form an assessment district in order to cause the financing of energy and water efficiency improvements within the boundaries of participating public agencies. Also, these Resolutions (i) direct Figtree Energy Resource Company, administrator of the California PACE Program, to prepare and file with the Board of Directors, a program report in compliance with California Streets and Highways Code and (ii) set October 3, 2013, for the public hearing required for the formation of the assessment district.</p> <p>After the public hearing, the Board of Directors of CEDA will be presented with a resolution of formation for the creation of the assessment district. At that time, the Board of Directors will determine whether to proceed with financing on the terms and conditions presented.</p>
<b>Recommendation</b>	Staff recommends approval of Resolutions 13-42 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Santee.

## **RESOLUTION NO. 13-42**

### **RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS IN THE CITY OF SANTEE**

**WHEREAS**, the California Enterprise Development Authority (“CEDA”) is a joint powers authority organized and existing pursuant to the Joint Powers Act (Government Code Section 6500 et seq.) and that certain Joint Exercise of Powers Agreement (the “Agreement”) dated as of June 1, 2006, among the cities of Eureka, Lancaster and Selma; and

**WHEREAS**, CEDA is authorized under the Agreement and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) to authorize assessments to finance the installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements that are permanently fixed to real property (“Authorized Improvements”); and

**WHEREAS**, CEDA has obtained authorization from the City of Santee (the “City”) located in the County of San Diego (the “County”) to conduct assessment proceedings and to enter into contractual assessments to finance the installation of Authorized Improvements within the jurisdictional boundaries of the City pursuant to Chapter 29; and

**WHEREAS**, CEDA desires to declare its intention to establish a Figtree PACE program (“Figtree PACE”) in the City, pursuant to which CEDA, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, AS FOLLOWS:**

**Section 1. Findings.** The Board of Directors hereby finds and determines the following:

- (a) The above recitals are true and correct and are incorporated herein by this reference.
- (b) Energy and water conservation efforts, including the promotion of Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the City.

- (c) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.
- (d) A public purpose will be served by establishing a contractual assessment program, to be known as Figtree PACE, pursuant to which CEDA will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in the City.

**Section 2. Determination of Public Interest.** The Board of Directors hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the City, within which CEDA and property owners within the City may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for CEDA to finance the installation of Authorized Improvements in the City pursuant to Chapter 29.

**Section 3. Identification of Authorized Improvements.** CEDA hereby declares its intention to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 8 hereof (the “Report”), as that Report may be amended from time to time.

**Section 4. Identification of Boundaries.** Contractual assessments may be entered into by property owners located within the entire geographic territory of the City.

**Section 5. Proposed Financing Arrangements.** Under Chapter 29, CEDA may issue bonds, notes or other forms of indebtedness (the “Bonds”) pursuant to Chapter 29 that are payable by contractual assessments. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the “Improvement Bond Act of 1915”) shall apply to any indebtedness issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. The creditworthiness of a property owner to participate in the financing of Authorized Improvements will be based on the criteria developed by Figtree Energy Resource Company (the “Program Administrator”) upon consultation with Figtree PACE Program underwriters or other financial representatives, CEDA general counsel and bond counsel, and as shall be approved by the Board of Directors of CEDA. In connection with indebtedness issued under the Improvement Bond Act of 1915 that is payable from contractual assessments, serial and/or term improvement bonds or other indebtedness shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date), and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by Board of Directors at the time of the issuance and sale of the indebtedness. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of CEDA to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. Neither CEDA, nor any of its members participating in the Figtree PACE Program,

shall advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the indebtedness; provided, however, that this determination shall not prevent CEDA or any of its members from, in their sole discretion, so advancing funds. The Bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding, upon the conditions specified by and upon determination of CEDA.

CEDA hereby authorizes the Program Administrator, upon consultation with CEDA general counsel, bond counsel and the Figtree PACE underwriter, to commence preparation of documents and take necessary steps to prepare for the issuance of bonds, notes or other forms of indebtedness as authorized by Chapter 29.

In connection with the issuance of bonds payable from contractual assessments, CEDA expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

**Section 6. Public Hearing.** Pursuant to the Act, CEDA hereby orders that a public hearing be held before CEDA Board (the “Board”), at 550 Bercut Drive, Suite G, Sacramento, CA 95811, on Thursday, October 3<sup>rd</sup>, 2013 at 10:30 AM, for the purposes of allowing interested persons to object to, or inquire about, the proposed Figtree PACE Program. The public hearing may be continued from time to time as determined by the Board for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 8 hereof shall be summarized, and the Board shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program, the extent of the area proposed to be included within the boundaries of the assessment district, the terms and conditions of the draft assessment contract described in Section 8 hereof (the “Contract”), or the proposed financing provisions. Following the public hearing, CEDA may adopt a resolution confirming the Report (the “Resolution Confirming Report”) or may direct the Report’s modification in any respect, or may abandon the proceedings.

The Board hereby orders the publication of a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

**Section 7. Notice to Water and Electric Providers.** Pursuant to Section 5898.24 of the Streets & Highways Code, written notice of the proposed contractual assessment program within the City to all water and electric providers within the boundaries of the City has been provided.

**Section 8. Report.** The Board hereby directs the Program Administrator to prepare the Report and file said Report with the Board at or before the time of the public hearing described in Section 6 hereof containing all of the following:

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 hereof.
- b) A draft contractual assessment contract (the “Contract”) specifying the terms and conditions of the agreement between CEDA and a property owner within the City.
- c) A statement of CEDA’s policies concerning contractual assessments including all of the following:
  - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
  - (2) Identification of the CEDA official authorized to enter into contractual assessments on behalf of CEDA.
  - (3) A maximum aggregate dollar amount of contractual assessments.
  - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- d) A plan for raising a capital amount required to pay for work performed in connection with contractual assessments. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan (i) shall include a statement of, or method for determining, the interest rate and time period during which contracting property owners would pay any assessment, (ii) shall provide for any reserve fund or funds, and (iii) shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and CEDA.
- e) A report on the results of the discussions with the County Auditor-Controller described in Section 10 hereof, concerning the additional fees, if any, that will be charged to CEDA for inclusion of the proposed contractual assessments on the general property tax roll of the County, and a plan for financing the payment of those fees.

**Section 9. Nature of Assessments.** Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by CEDA, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

**Section 10. Consultations with County Auditor-Controller.** CEDA hereby directs the Program Administrator to enter into discussions with the County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

**Section 11. Preparation of Current Roll of Assessment.** Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator as the responsible party for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

**Section 12. Procedures for Responding to Inquiries.** The Program Administrator shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

**Section 13. Effective Date.** This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 19<sup>th</sup> day of September, 2013.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Gurbax Sahota, Chair

ATTEST:

\_\_\_\_\_  
Michelle Stephens, Assistant Secretary