

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, July 21, 2022

[Zoom Call Information](#)

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWNKIK.1>

Meeting ID: 830 9095 0409

Passcode: 866446

One tap mobile

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Pursuant to AB 361, members of the California Enterprise Development Authority and staff will participate in this meeting via a teleconference. To reduce the spread of COVID-19, members of the public are asked to participate and comment directly by logging into the Livestream

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWNKIK.1>

Call to Order and Roll Call Statement of Disclosure

Action Items

1. Consent Agenda
 - a. Approve Minutes from the Regular Business Meeting on June 23, 2022.
 - b. Approve Resolution 22-35 of the California Enterprise Development Authority Authorizing Public Meetings to be held via Teleconferencing Pursuant to Government Code Section 54953(E) and Making Findings and Determinations Regarding the Same.
 - c. Approve Resolution 22-36 Approving Associate Membership by the City of Menifee in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to the Associate Membership of the City in the Authority.
 - d. Approve Resolution 22-37 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Sources, Energy Efficiency, and Water Efficiency Improvements, Seismic Strengthening, Electric Vehicle Charing Infrastructure, and Wildfire Suppression and Safety Improvements in the City of Menifee.
2. Approve Resolution 22-38 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2022-1, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.

Public Comment

Chair Report

PACE Report

Other Business

Adjournment

This agenda can be obtained at <https://ceda.caled.org>. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

ZOOM CALL

CEDA BOARD OF DIRECTORS

Thursday, June 23, 2022

Zoom Call Location

<https://us02web.zoom.us/j/88431767592?pwd=MjYxdDM2d1NaSFhwN1A5V0MwK1grUT09>

Meeting ID: 884 3176 7592

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:33 a.m.

Roll Call

Members Present:

Christine Bibler
Josh Metz
Gurbax Sahota

CALED Management/

Staff Present:

Michelle Stephens

Public:

Jacob Roth, Dividend Finance

Statement of Disclosure

Action Items

1. Approve Consent Agenda
 - a. Approve Minutes from the Regular Business Meeting on June 16, 2022.

Motion: Board Member Josh Metz made the motion to approve the Consent Agenda. Board Member Christina Bibler seconded the motion on the floor.

The motion passed with the following roll call vote:

Christine Bibler	yes
Josh Metz	yes
Gurbax Sahota	yes

2. Approve FY 2022-2023 CEDA Work Program.

Discussion: Michelle Stephens presented the Work Program.

Motion: Board Member Josh Metz made the motion to approve the FY 2022-23 CEDA Work Program. Board Member Christina Bibler seconded the motion on the floor.

The motion passed with the following roll call vote:

Christine Bibler	yes
Josh Metz	yes
Gurbax Sahota	yes

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

3. Approve FY 2022-2023 CEDA Budget.

Discussion: Gurbax noted that items 3 and 4 were duplicates and then she presented the Budget. When presenting the budget, she pointed out that in previous audits, the auditor had noted the high balance in the checking account and said deficit budgeting would be necessary to spend that balance down. That is why the proposed budget has a negative total.

Board Member, Christina Bibler asked if more money might be needed for the following line items: Computers & Maintenance, specifically cyber-security, Scholarships, and Insurance. Gurbax let her know that the Computers & Maintenance are spread between the three organizations with CALED carrying the bulk of that cost. In light of that, the \$1,500 budgeted is adequate.

She also noted that the scholarship fund is often undersubscribed but CEDA could contribute \$20,000 instead of \$10,000 and use that money to get more people to the planned financing summit in the Fall. Gurbax said that would be added to the Work Program. Lastly, Gurbax noted that the insurance amount was based on the quote for CEDA's SLIP and therefore, the correct amount.

Board Member, Josh Metz suggested that more investment could be made in economic development. Gurbax noted that it is difficult to budget too much at the beginning of the year because CEDA is not in control of its own project pipeline. She said that staff will bring the Board Investment Policy back to the agenda toward mid-year so further investment can be discussed when there is a better idea of deal flow. Josh also noted that it might time for a website & marketing refresh. Gurbax said that it was refreshed a little bit before the pandemic, but some updating would be done to meet the needs of the new pooled financing product CEDA would be offering.

Motion: Board Member Christina Bibler made the motion to approve the Budget with the addition to increase the Scholarship line item from \$10,000 to \$20,000. Board Member Josh Metz seconded the motion on the floor.

The motion passed with the following roll call vote:

Christine Bibler	yes
Josh Metz	yes
Gurbax Sahota	yes

4. Approve \$550,000 to the California Association for Local Economic Development as a Contribution to Economic Development.

Discussion: Gurbax explained that this large ask is part of the deficit budget she referenced earlier, and the contribution will also help CALED expand their work program to include an EDFRE Division.

Motion: Board Member Christina Bibler made the motion to approve the \$550,000 contribution to economic development. Board Member Josh Metz seconded the motion on the floor.

The motion passed with the following roll call vote:

Christine Bibler	yes
Josh Metz	yes
Gurbax Sahota	yes

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

5. Approve \$100,000 to the California Academy for Economic Development as a Contribution to Economic Development.

Discussion: Gurbax noted that this would help with the training programs that the Academy houses.

Motion: Board Member Christina Bibler made the motion to approve the \$100,000 contribution to economic development. Board Member Josh Metz seconded the motion on the floor.

The motion passed with the following roll call vote:

Christine Bibler	yes
Josh Metz	yes
Gurbax Sahota	yes

Public Comment

None

Chair Report:

None

PACE Report

Peter Grabell reminded the Board of an upcoming project.

Other Business

None

Adjournment

The meeting ended at 10:58 without a quorum present. Gurbax and Christina were present until closing.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION NO. 22-35

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING PUBLIC MEETINGS TO BE HELD VIA TELECONFERENCING PURSUANT TO GOVERNMENT CODE SECTION 54953(e) AND MAKING FINDINGS AND DETERMINATIONS REGARDING THE SAME

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 Board of Directors of the Authority (the "Board") is committed to preserving and nurturing public access and participation in its meetings while balancing the need to conduct public meetings in a manner that reduces the likelihood of exposure to COVID-19 and protects the public's health; and

WHEREAS, all meetings of the Authority are open and public, as required by the Ralph M. Brown Act, so that any member of the public may attend, participate, and watch the Board conduct its business; and

WHEREAS, pursuant to Assembly Bill 361, signed by Governor Newsom and effective on September 16, 2021, legislative bodies of local agencies may hold public meetings via teleconferencing pursuant to Government Code Section 54953(e), without complying with the requirements of Government Code Section 54953(b)(3), if the legislative body complies with certain enumerated requirements in any of the following circumstances:

1. 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.
2. 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.
3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency in response to the COVID-19 pandemic (the "Emergency"); and

WHEREAS, the Centers for Disease Control and Prevention continue to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be

exposed to COVID-19 when they are closer than 6 feet apart from others for longer periods of time; and

WHEREAS, due to the ongoing COVID-19 pandemic, to protect the public's health, and the need to promote social distancing to prevent the disease from spreading, the Authority intends to hold public meetings via teleconferencing pursuant to Government Code Section 54953(e).

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

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Board has determined that, as a result of the Emergency, meeting in person presents imminent risks to the health or safety of attendees.

Section 3. The Board hereby finds that the Authority shall conduct its meetings pursuant to Government Code section 54953(e).

Section 4. Staff is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 21st day of July, 2022.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

By _____
Michelle Stephens, Assistant Secretary

CERTIFICATE

I, Michelle Stephens, Assistant Secretary of the California Enterprise Development Authority hereby certify the foregoing to be a full, true, and correct copy of the Resolution of the Board of Directors of the California Enterprise Development Authority duly adopted at its meeting of July 21, 2022.

By _____
Michelle Stephens, Assistant Secretary

RESOLUTION NO. 22-36

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY THE CITY OF MENIFEE IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO THE ASSOCIATE MEMBERSHIP OF THE CITY IN THE AUTHORITY

WHEREAS, pursuant to the provisions of the Joint Exercise of 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 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, 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 City of Menifee (the “City”) wishes to join the Authority and has passed the requisite resolution approving the City becoming an associate member of the Authority and has approved an Associate Membership Agreement; and

WHEREAS, the Board of Directors desires to admit the City 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 City is hereby admitted as a new 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 City. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Authority in connection with the Authority’s entry into the Associate Membership Agreement with the City are hereby ratified and confirmed.

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

PASSED AND ADOPTED this 21st day of July, 2022.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Michelle Stephens, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on July 21, 2022.

Michelle Stephens, Assistant Secretary

RESOLUTION NO. 22-37

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY, SOURCES, ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS, SEISMIC STRENGTHENING, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND WILDFIRE SUPPRESSION AND SAFETY IMPROVEMENTS IN THE CITY OF MENIFEE

WHEREAS, the California Enterprise Development Authority (“CEDA”) is a joint powers authority authorized and existing pursuant to 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, by and 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 and water efficiency improvements, seismic strengthening, electric vehicle charging infrastructure, and wildfire suppression and safety improvements that are permanently fixed to real property (collectively, “Authorized Improvements”); and

WHEREAS, CEDA has obtained authorization from the City of Meniffee (the City) to enter into contractual assessments for the financing of the installation of Authorized Improvements in the City; 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 herein, 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, seismic strengthening improvements, electric vehicle charging infrastructure, and wildfire suppression and safety improvements, including the installation of Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address

the issues of energy and water efficiency, seismically safe real property, wildfire resistance, 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, seismically safe, electric vehicle charging compatible, and wildfire resistant, 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, the Authority 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 the Additional Authorized Improvements will be based on the criteria developed by Dividend Finance Inc. (the “Program Administrator”) upon consultation with Figtree PACE Program underwriters or other financial representatives, the Authority's general counsel and bond counsel, and as shall be approved by the Board of Directors. 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, at such times, and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by the Board of Directors

at the time of the issuance and sale of the Bonds. 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 the Authority to create a special reserve fund for the Bonds under Part 16 of the Improvement Bond Act of 1915. Neither the Authority, 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, this determination shall not prevent the Authority 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 determination of the Authority.

The Authority hereby authorizes the Program Administrator, upon consultation with the Authority's 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, the Authority 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 2150 River Plaza Drive, Suite 275, Sacramento, CA 95833, on Thursday, August 25, 2022, 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 County to all water and electric providers within the boundaries of the County 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.
- (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.

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 City 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 21st day of July, 2022.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

Michelle Stephens, Asst. Secretary

Staff Report

Action Requested	Approve Resolution 22-38 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2022-1, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.			
Borrower Description	The series of the bonds are in an amount not to exceed \$750,000. The proceeds of such bonds will be used to make property-assessed energy efficiency improvements to parcels within the PACE District.			
	Property Owner and Address	Amounts allocated to Improvements	Description of Improvements being financed	Member Jurisdiction where Project is Located
Public Benefits	<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"> ▪ Saving money by reducing their utility bill ▪ Improving their residence or business ▪ Promoting energy conservation ▪ Stimulating the local economy <p>The Program provides a local stimulus to the economy through local energy conservation-related job creation. Added benefits include:</p> <ul style="list-style-type: none"> ▪ Sales tax revenues from energy and water efficiency improvement installations ▪ Fee revenues from permits issued for the Construction Work ▪ Cleaner communities <p>For property owners, the benefits include:</p> <ul style="list-style-type: none"> ▪ A no-money-down means of financing energy and water efficiency improvements ▪ Fixed-rate assessment financing repaid and amortized up to 30 years ▪ Financing without requiring a property appraisal ▪ Reduced utility costs through energy efficiency improvements 			
Eligibility and Policy Review	<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"> ■ The payments to be made under the bond documents are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service. ■ Proposed financing is appropriate for the project. ■ Pursuant to California Government Code Section 5852.1, the Purchaser has provided certain required information to CEDA as set forth on Attachment I of Resolution 18-14. 			
Recommendation	Staff recommends approval of Resolution 22-38 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2022-1, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.			

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION NO. 22-38

RESOLUTION AUTHORIZING THE ISSUANCE OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (PACE-M1) LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES 2022-1, AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE AND BOND PURCHASE AGREEMENT, 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, pursuant to Resolution 12-31 adopted on September 6, 2012, the Authority created 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 \$750,000.00 California Enterprise Development Authority Commercial Property Assessed Clean Energy (PACE-M1) Limited Obligation Improvement Bonds, Series 2022-1 (the “2022-1 Bonds”) pursuant to that certain Master Indenture of Trust (as amended from time to time, the “Master Indenture”), by and between the Authority and Wilmington Trust, National Association, as successor trustee, or another trustee designated by the Authority from time to time (the “Trustee”), and that certain Supplemental Indenture of Trust No. 15 (the “Supplemental Indenture No. 15” and, together with the Master Indenture, the “Indenture”) by and between the Authority and the Trustee, each on file with the Secretary of the Authority; and

WHEREAS, the Series 2022-1 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 2022-1 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 any funds to cure any deficiency which may occur in the redemption fund created under the Indenture; 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 2022-1 Bonds will be sold pursuant to the Bond Purchase Agreement to Forbright Bank, or another assignee of Divided Finance, Inc., as purchaser (the “Purchaser”); and

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Series 2022-1 Bonds, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on a good faith estimates by the Purchaser.

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

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby authorizes the issuance of the Series 2022-1 Bonds in the principal amount not to exceed \$750,000.00 and the sale of the Series 2022-1 Bonds to the

Purchaser pursuant to the terms of the Bond Purchase Agreement. The Series 2022-1 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 2022-1 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 2022-1 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.

Section 3. 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 Supplemental Indenture No. 15 and the Bond Purchase Agreement 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’s counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Authority hereby authorizes the issuance of the Series 2022-1 Bonds upon the terms as provided in the Master Indenture and Supplemental Indenture No. 15 in a principal amount of up to \$750,000.00. The Series 2022-1 Bonds shall mature not more than 20 years from the second day of September following the issuance thereof. The Series 2022-1 Bonds shall be payable as to interest on March 2 and September 2 commencing the first such date following the issuance thereof, with optional and mandatory redemption provisions of principal thereof as set forth in Supplemental Indenture No. 15.

Section 5. The interest rate on the Series 2022-1 Bonds shall not exceed 7.50% per annum. The costs of issuance and other Program expenses to be funded from the net available proceeds of the Series 2022-1 Bonds shall be in such amounts as provided in Supplemental Indenture No. 15 and a requisition signed by an Authorized Signatory.

Section 6. The Series 2022-1 Bonds shall be executed by the manual or facsimile signature of the Chair or the Vice Chair of the Board of Directors of the Authority and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

Section 7. The Series 2022-1 Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Series 2022-1 Bonds by executing the Trustee's Certificate of Authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Purchaser, in accordance with written instructions executed on behalf of the Authority by any Authorized Signatory, which instructions said Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Series 2022-1 Bonds to the Purchaser in accordance with the Bond Purchase Agreement, upon payment of the purchase price thereof.

Section 8. Each Authorized Signatory and other appropriate officers and agents of the

Authority is each hereby authorized and directed to take any and all actions necessary or appropriate, not inconsistent with the terms of this Resolution and of the Indenture to effect the execution, authentication and delivery of the Bonds to the Purchaser, including, without limitation: giving the written order of the Authority for the authentication and delivery of the Bonds by the Trustee, furnishing of appropriate certificates, closing documents and other documents contemplated by this Resolution, the Master Indenture, Supplemental Indenture No. 15 or the Bond Purchase Agreement. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the documents and certificates contemplated by this Resolution.

Section 9. All approvals, assignments, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, or any redemption, purchase or defeasance of the Series 2022-1 Bonds, may be given or taken by any Authorized Signatory, without further authorization by the Board of Directors of the Authority, and each Authorized Signatory is hereby authorized and directed to give any such approval, consent, direction, notice, order or request and to take any such action which such Authorized Signatory, with the advice of bond counsel and legal counsel to the Authority, may deem necessary or desirable to further the purposes of this Resolution.

Section 10. 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 2022-1 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.

Section 11. 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.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 21th day of July, 2022.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

By _____
Michelle Stephens, Assistant Secretary

CERTIFICATE

I, Michelle Stephens, Assistant Secretary of the California Enterprise Development Authority hereby certify the foregoing to be a full, true and correct copy of Resolution No. 22-38 of the Board of Directors of the California Enterprise Development Authority duly adopted at its meeting of July 21, 2022.

By _____
Michelle Stephens, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO PROPERTY ASSESSED CLEAN ENERGY BONDS

Pursuant to California Government Code Section 5852.1, Forbright Bank, a Maryland chartered trust company, as the purchaser of the Bonds (the “Purchaser”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as issuer, prior to the Authority’s regular meeting on July 21, 2022 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of property assessed clean energy bonds in the aggregate principal amount not to exceed \$750,000 (the “Obligations”).

1. The Purchaser provided the Authority with the required good faith estimates relating to the Obligations as follows, calculated assuming a final par amount of the Obligations of \$703,330:
 - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 4.3974%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$24,617.
 - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$648,000 (assumes interest paid with proceeds of the Obligations in the amount of \$30,713).
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$999,238 (assumes all finance charges are paid from proceeds of the Obligations).
2. The good faith estimates provided above were presented to the governing board of the property owner obligated to the repayment of the bonds, or presented to the official or officials or committee designated by the governing board of the property owner to obligate the property owner in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the property owner having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond

the control of the Purchaser. The Authority is authorized to make this document available to the public at the Meeting of the Authority.