

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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

10:30 A.M.

Thursday, June 5, 2014

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 May 15, 2014.

**Action Items**

2. Approve the 2013-2014 annual contribution to the legal reserve for the California Enterprise Development Authority.
3. Approve the 2013-2014 economic development contribution to the California Association for Local Economic Development.
4. Approve the James Marta & Associates Proposal for the CEDA Annual Audit for 2014, 2015, and 2016.
5. Approve Resolution 14-37 authorizing and approving an amendment to a loan agreement to increase the amount of the loan thereunder by \$750,000 for the benefit of Justin-Siena High School Corporation, and authorizing the execution of certain documents.
6. Approve Resolution 14-38 authorizing and approving a loan agreement pursuant to which the California Enterprise Development Authority will make a loan for the purpose of refinancing the cost of acquisition, construction, installation, renovation and equipping of certain facilities for the benefit of Neighborhood Healthcare, providing the terms and conditions for such loan agreement and other matters relating thereto.
7. Approve Resolution 14-39 Associate Membership of the City of Imperial Beach in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
8. Approve Resolution 14-40 Approving Associate Membership of the City of Willows in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
9. Approve Resolution 14-41 Approving Associate Membership of the City of Cypress in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
10. Approve Resolution 14-42 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Santa Paula.

## CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

11. Approve Resolution 14-43 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Waterford.
12. Approve Resolution 14-44 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the County of Monterey.
13. Approve Resolution 14-45 authorizing and approving a loan agreement pursuant to which the California Enterprise Development Authority will make a loan for the purpose of refinancing the cost of acquisition, construction, installation, renovation and equipping of certain facilities for the benefit of North Peninsula Jewish Campus, Peninsula Jewish Community Center, and Ronald C. Wornick Jewish Day School, providing the terms and conditions for such loan agreement and other matters relating thereto.

**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 Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

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

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

City of Selma  
1710 Tucker St.  
Selma, CA 93662

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

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

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

This agenda can be obtained at [www.ceda.caed.org](http://www.ceda.caed.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

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

### CEDA BOARD OF DIRECTORS

Thursday, May 15, 2014

#### 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 10:31 am.

#### Roll Call

Members Present: DB Heusser  
Gurbax Sahota  
Randy Starbuck (10:32)  
Bruce Stenslie

CALED Management/Staff  
Present: Michelle Stephens

Public Present: Erik Caldwell, Figtree Financing

#### Statement of Disclosure

None

#### Action Items

1. Approve the Annual Meeting Minutes and Founders Meeting Minutes of April 7, 2014.

**Motion:** Board Member Bruce Stenslie made the motion to approve the Annual Meeting Minutes and Founders Meeting Minutes of April 7, 2014. Board Member DB Heusser seconded the motion on the floor and it passed with the following roll call vote:

DB Heusser	Aye
Gurbax Sahota	Aye
Randy Starbuck	Aye
Bruce Stenslie	Aye

2. Approve Resolution 14-33 Approving Associate Membership of the City of Inglewood in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.
3. Approve Resolution 14-34 Approving Associate Membership of the City of Santa Paula in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.
4. Approve Resolution 14-35 Approving Associate Membership of the City of Tehachapi in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.
5. Approve Resolution 14-36 Approving Associate Membership of the City of Waterford in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.

**Motion:** *Board Member DB Heusser made the motion to approve Resolutions 14-33, 14-34, 14-35, and 14-36. Board Member Bruce Stenslie seconded the motion on the floor and it passed with the following roll call vote:*

DB Heusser	Aye
Gurbax Sahota	Aye
Randy Starbuck	Aye
Bruce Stenslie	Aye

**Discussion:** Michelle Stephens gave the Board a brief staff report.

#### **Public Comment**

#### **Chair Report**

Ms. Stephens let the Board know the next planned CEDA meeting would be on June 5th.

#### **PACE Report**

Erik Caldwell updated the Board on recent PACE activity, including 17 cities in the membership pipeline and an anticipated project flow in the millions. He also mentioned that CEDA and Figtree are working on adding seismic retrofits to the program report so CEDA would be able to issue PACE bonds for those activities. Mr. Caldwell explained the process necessary to add this option to the existing offerings of CEDA's PACE program. Bruce Stenslie asked if this would affect the distribution of fees since some of these projects were "micro" financings. Mr. Caldwell acknowledged that the costs are the same no matter what the size of a project is and that Figtree is working with Bond Counsel to figure out ways to address this and streamline the process.

#### **Other Business**

#### **Adjournment**

**Motion:** *Board Member Bruce Stenslie moved to adjourn the meeting. Board Member, DB Heusser seconded the motion. The motion passed unanimously by voice vote.*

Board Chair, Gurbax Sahota adjourned the meeting at 10:45 am.

## Staff Report

<b>Action Requested</b>	Contribute to the legal reserves for the California Enterprise Development Authority (the “Authority”).
<b>Staff Discussion</b>	<p>The Authority has a legal reserve of \$200,000, as recommended by our Bond Council and Auditor, and approved by the Board of Directors. All interest on these funds accumulates in the reserve but we believe is not enough to cover exposure as we increase the volume of transactions and issuance. When the \$200,000 legal reserve was approved, the Authority had issued 64 bonds totaling \$839,439,565.00. This calculates to \$3,125 per transaction.</p> <p>In fiscal year 12-13, the CEDA Board approved the making future contributions at \$3,125 per transaction to the legal reserve every year. For example, in fiscal year 12-13, we anticipated issuing 11 bonds and contributed \$34,375 to the legal reserve for that year.</p> <p>This fiscal year, we expect to issue 12 bonds. This calculates to \$37,500. We request the Board approve a contribution to the legal reserve for Fiscal Year 13-14 in the amount of \$37,500, based on the number of transactions.</p>
<b>Eligibility and Policy Review</b>	CEDA staff has reviewed the bylaws and Joint Powers Agreement. The request is part of Article VI; Section 6.4 which authorizes the establishment of a budget to meet future Administrative Expenses.
<b>Recommendation</b>	Contribute to the legal reserves for the California Enterprise Development Authority (the “Authority”).

## Staff Report

<b>Action Requested</b>	Approve \$50,000 as a contribution to the California Association for Local Economic Development (CALED) to further its mission to support economic development in California.
<b>Staff Discussion</b>	<p>CEDA was created with the intent to give back to economic development. As such, the CEDA Board of Directors has the authority to contribute funds deemed as surplus to organizations for economic development purposes.</p> <p>CALED is the premier statewide professional economic development organization dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership consists of public and private organizations and individuals involved in economic development: the business of creating and retaining jobs.</p> <p>We believe contributing to CALED will allow the organization to provide education and networking opportunities for California's economic developers, as well as provide additional capacity for the organization to promote the value of economic development.</p> <p>The attached spreadsheet will show the estimated budget to actual for 2013-2014 including a contribution of \$37,500 to CEDA's legal reserves. CEDA does have surplus funds to make this contribution.</p> <p>Additionally, even after making this contribution, CEDA will still have an adequate checking balance, a one-year operating reserve, and a fully funded legal reserve.</p>
<b>Eligibility and Policy Review</b>	CEDA staff has reviewed the bylaws and Joint Powers Agreement. The request is part of Article VI; Section 6.4, which permits moneys held by the Authority and deemed surplus may be allocated as directed by the Board for economic development purposes.
<b>Recommendation</b>	Staff recommends sponsorship of the Annual Conference and providing scholarship money for people who could not otherwise attend in CEDA member jurisdictions.

California Enterprise Development Authority (CEDA)

2:40 PM

Profit and Loss Budget vs. Actual

05/29/14

July 2013 through June 2014

	<u>Jul '13 - Jun '1</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Non Operating Revenue</b>				
Interest	119.15	150.00	-30.85	79.4%
<b>Total Non Operating Revenue</b>	119.15	150.00	-30.85	79.4%
<b>Operating Revenue</b>				
<b>Fee Revenues</b>				
<b>Issuance Fees</b>				
Issuance Fee-PACE	4,106.25	5,000.00	-893.75	82.1%
Issuance Fee-Nonprofit	195,015.00			
Issuance Fees - Other	0.00	150,000.00	-150,000.00	0.0%
<b>Total Issuance Fees</b>	199,121.25	155,000.00	44,121.25	128.5%
Annual Fee	61,500.00	62,000.00	-500.00	99.2%
Application Fees	16,500.00	10,500.00	6,000.00	157.1%
<b>Total Fee Revenues</b>	277,121.25	227,500.00	49,621.25	121.8%
<b>Total Operating Revenue</b>	277,121.25	227,500.00	49,621.25	121.8%
<b>Total Income</b>	277,240.40	227,650.00	49,590.40	121.8%
<b>Expense</b>				
<b>Operating Expenses</b>				
Contribution to Econ Dev	10,000.00	15,000.00	-5,000.00	66.7%
Contribution to CALED	5,000.00			
<b>Direct Expenses</b>				
Bank Fees	210.00	225.00	-15.00	93.3%
Meal & Entertainment	266.21	1,000.00	-733.79	26.6%
Office Expense	4,668.86	4,000.00	668.86	116.7%
Computers/Maintenance	5,634.74	1,000.00	4,634.74	563.5%
Staff Training	1,341.05	1,500.00	-158.95	89.4%
Accounting	1,675.00	2,500.00	-825.00	67.0%
Audit	9,800.00	9,800.00	0.00	100.0%
Contract Services	500.00	2,000.00	-1,500.00	25.0%
Printing/Marketing	1,500.00	2,000.00	-500.00	75.0%
Travel	3,411.06	4,000.00	-588.94	85.3%
Insurance	1,771.56	1,800.00	-28.44	98.4%
Professional/Legal Fees	5,000.00	10,000.00	-5,000.00	50.0%
<b>Total Direct Expenses</b>	35,778.48	39,825.00	-4,046.52	89.8%
<b>Management Fees</b>	137,500.00	137,500.00	0.00	100.0%
<b>Total Operating Expenses</b>	188,278.48	192,325.00	-4,046.52	97.9%
<b>Total Expense</b>	188,278.48	192,325.00	-4,046.52	97.9%
Net Ordinary Income	88,961.92	35,325.00	53,636.92	251.8%
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
Legal Reserve set aside	37,500.00	31,250.00	6,250.00	120.0%
<b>Total Other Expense</b>	37,500.00	31,250.00	6,250.00	120.0%
Net Other Income	-37,500.00	-31,250.00	-6,250.00	120.0%
<b>Net Income</b>	<b>51,461.92</b>	<b>4,075.00</b>	<b>47,386.92</b>	<b>1,262.9%</b>

## Staff Report

<b>Action Requested</b>	Approve James Marta & Associates Proposal for CEDA Annual Audit for 2014, 2015, and 2016.
<b>Staff Discussion</b>	<p>CALED Staff sent a Request for Proposal (RFP) to four accounting firms. The firms contacted are:</p> <p>Crowe Horwath 400 Capitol Mall, Suite 1400 Sacramento, California 95814-4498</p> <p>James Marta &amp; Company 701 Howe Avenue, Suite E3 Sacramento, CA 95825</p> <p>Macias Gini &amp; O’Connell LLP 3000 S Street, Suite 300 Sacramento, CA 95816</p> <p>Rivera, Jamjian &amp; Dillard, LLP 811 Wilshire Blvd., Suite 1805 Los Angeles, CA 90017</p> <p>From this initial communication, we received one proposal, one letter declining to submit, and no response from the remaining two firms. Upon reviewing the proposal, staff recommends engaging James Marta &amp; Associates to conduct the CEDA Annual Audit.</p> <p>James Marta &amp; Associates provided a competitive quote for a high-quality product and staff feel that James Marta &amp; Associates consistently does an exceptional job with CEDA’s audit.</p>
<b>Recommendation</b>	Staff recommends approval of the James Marta & Associates Proposal for the CEDA Annual Audit for 2014, 2015, and 2016.



**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Tax and Consulting*

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May 2, 2014

Michelle Stephens  
California Enterprise Development Authority  
550 Bercut Drive, Suite G  
Sacramento, California 95811

Dear Ms. Stephens,

Please find enclosed our formal proposal document for the fiscal year ending June 30, 2014.

We believe our knowledge and experience auditing and consulting with conduit financing authorities, joint powers authorities and special districts, in addition to our previous experience with your organization, allow us to be a valuable resource to California Enterprise Development Authority above and beyond the delivery of the audit services.

*Please call our references to find out what difference we can make for you.*

If you need anything else please contact me.

Sincerely,

David Becker, CPA  
Partner



JAMES MARTA & COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**California Enterprise  
Development Authority**

**Proposal for Audit Services**

**For the Year Ending  
June 30, 2014**



**CONTACT:**

**DAVID BECKER, CPA  
PARTNER**

**701 HOWE AVENUE, E3  
SACRAMENTO, CA 95825**

**(916) 993-9494  
(916) 993-9489 FAX**

**[DBecker@JPMCPA.COM](mailto:DBecker@JPMCPA.COM)**

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**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Tax and Consulting*

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Michelle Stephens  
California Enterprise Development Authority  
550 Bercut Drive, Suite G  
Sacramento, California 95811

Dear Ms. Stephens,

We are pleased to respond to your request to provide a proposal for audit services for California Enterprise Development Authority for the fiscal year ending June 30, 2014. We propose to audit the financial statements of the Authority in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Controller's *Minimum Audit Requirements for California Special Districts*. We will also prepare the Special Districts Financial Transactions report and the Conduit Financing Provider report.

We have been providing audit and consulting services to conduit financing authorities, joint powers authorities, special districts and other governmental entities for over 25 years. An extensive background and commitment to the industry allows us to bring to you an audit which goes beyond the minimum statutory requirements. Our depth of experience in this industry means that we bring creative and practical solutions to assist you in meeting the challenges that you face in your day-to-day operations and recommendations that are tailored to your unique needs. We provide hands-on service not only just identifying issues but also in actively assisting you in resolving them. We are committed to assisting California Enterprise Development Authority with any accounting related questions throughout the year. A quick telephone call or email to our office is all that's needed to receive a timely response, at **no additional cost to you**. We consider this year-round availability, an important part of our relationship with you.

**The following additional services are included at no charge:**

- Evaluation and consulting for closing entries
- Assistance in the implementation of new accounting standards
- Assistance with new federal or state compliance standards
- Year-round availability for consultation on accounting and audit topics

Please be assured that if we are accepted for this engagement, we will commit the resources necessary for the successful and timely completion of the work by the Authority's requested due dates. Please do not hesitate to contact me if I can provide any additional information. James Marta, Partner, will also be authorized to make representations for the firm.

Sincerely,

David Becker, CPA  
Partner



## EXECUTIVE SUMMARY

As a full service audit, tax and management consulting firm, we pride ourselves in our ability to serve the diverse needs of Conduit Financing Authorities, Joint Powers Authorities and California Special Districts in a rapidly changing environment. We feel our firm is uniquely qualified for the following reasons:

- Ø Over **25 years of experience auditing and accounting** for **Conduit Financing Authorities**, Joint Powers Authorities and California Special Districts.
- Ø Specialized training in **audits of Special Districts** and Governmental Entities.
- Ø Experience with **bond issuance**, refunding bonds, bond performance audits and bond arbitrage calculations.
- Ø Experience preparing, reviewing and submitting the Annual Report of Financial Transactions and **Conduit Financing Provider report** required by the State Controller's Office.
- Ø Member and presenter for **California Special Districts Association and California Association of Joint Powers Authorities**.
- Ø James Marta is the **accreditation manager for California Association of Joint Powers Authorities**.
- Ø Experience in preparing the **Comprehensive Annual Financial Report** in accordance with GFOA standards.
- Ø **All staff** in the firm are trained, experienced and qualified to audit governmental agencies.
- Ø Experience providing **training** to Joint Powers Authorities and California Special Districts on Compliance, Internal Controls, Fraud Prevention and Detection, Accounting, Auditing and Board Governance Responsibility and Accountability.
- Ø Presenter for California Special District's Association Leadership Academy – Board's Role in Finance and Fiscal Accountability.



# **PROFILE OF JAMES MARTA & COMPANY LLP**



*We are a resource to you, answering the questions and meeting the needs of your people. We assist in developing practical solutions by understanding the roles of business, management, technology, accounting, and finance to help you meet your needs. We can make a difference.*

## **OUR ADVANTAGE**

We specialize in providing high-quality, value-added audit and consulting services to conduit financing authorities, joint powers authorities, special districts and governmental entities. We are large enough to serve and small enough to provide caring attention.

### **< COMMITMENT TO GOVERNMENT AGENCIES**

We are committed to serving Joint Powers Authorities and California Special Districts through our direct involvement in the California Association of Joint Powers Authorities (CAJPA) and California Special Districts Association (CSDA). Mr. Becker is on the Education and Expert Feedback Team. He also teaches classes for the Special District's Leadership Academy. Mr. Marta and Mr. Becker also present topics at the annual CAJPA and CSDA conferences and General Manager Leadership Summit. We have also written various articles on finance and governance related issues for CAJPA, CSDA and other government related agencies.

For the past 25 years, we have worked with over two hundred joint powers authorities and special districts, including joint powers authorities and special districts in Oregon, Washington and Alaska, providing audit, accounting, consulting, and tax services.

We are the leader in Conduit Financing Authorities, Joint Powers Authorities and California Special Districts for many reasons:

- Ü Experience with bond financing, refundings, bond performance audits and arbitrage.
- Ü Developed and taught courses for CAJPA and CSDA's Leadership Academy.
- Ü Current committee member for CAJPA finance and accreditation committees and CSDA's Education and Expert Feedback Team.
- Ü Assisted CSDA in developing special district reserve guidelines.
- Ü Assisted CAJPA in developing accreditation standards.
- Ü Presented courses for CAJPA and CSDA and have written various articles for industry publications.
- Ü For joint powers authorities and special districts in pursuit of the highest excellence, our firm has assisted clients in the Government Finance Officer Association's (GFOA) Certificate of Excellence in Financial Reporting.

**Our experience and understanding of a variety of conduit financing, joint powers authorities and special districts allows us to be a year-round resource to you.**

We have long been the trusted business advisers for our clients, providing services to meet a wide range of business needs. We don't simply deliver these services, we provide the kinds of customized, hands-on advice and insights that you need to achieve your business goals.



**OUR SERVICES**

While we are a full-service firm offering assurance, tax, financial advisory and consulting services, audits continue to be the dominant aspect of our practice. In the course of carrying out an audit, we generate information and develop insights that will result in improved controls and safeguards leading ultimately to greater efficiencies and clear, concise, and understandable financial reporting that is respected by your community. The professionals on our team combine the competence with judgment, maturity, and creativity – all prerequisites for a quality audit.

In addition to these services, we also offer the following:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>U Strategic Planning</li> <li>U Organizational Structure Analysis</li> <li>U Fraud Investigation</li> <li>U Budget Analysis</li> <li>U Specialized Compliance Reviews</li> <li>U Temporary Controllershship</li> <li>U Cash Forecasting</li> <li>U Compiled Financial Statements</li> <li>U Lease/Purchase Calculations</li> <li>U Accounting Policies and Procedures</li> <li>U Litigation Support Services</li> <li>U OPEB Alternative Measurement</li> </ul> | <ul style="list-style-type: none"> <li>U Internal Control Design and Assessment</li> <li>U Cost Benefit Analysis</li> <li>U Customized Seminars</li> <li>U Performance Audits</li> <li>U Strategic Planning</li> <li>U Year-End Closing Assistance</li> <li>U Bond Performance Audits</li> <li>U Bond Defeasance Feasibility</li> <li>U Bond Arbitrage Calculations</li> <li>U Mello-Roos Bonding Calculations</li> <li>U Self-Insurance Program Analysis</li> </ul> |
|--|--|

**PROFESSIONAL INTEGRITY**

Integrity is at the very core of our practice. By consistently performing our duties with the highest sense of integrity and within the framework of applicable professional standards as well as our firm’s code of conduct, we can provide tough and relevant advice for you while maintaining our independence. This serves to uphold the public’s trust on our profession.

*We develop strong and **lasting relationships with our clients** because our success depends your success.*



## FIRM QUALIFICATIONS



**PEER REVIEW**

We are committed to the highest standards in performing quality audits. We are proud to be one of the firms nationwide that volunteered for membership in the American Institute of Certified Public Accountants (AICPA) Peer Review Program in which an independent review of our accounting and auditing practice is performed by our peers every three years. The peer review program offers clients tangible, objective information about the quality controls of a CPA firm and, thus, about the quality of the documents prepared by that firm. Our peer review was recently completed which resulted in an unmodified report which indicates that our firm measures up to the accounting profession's high standard of quality and professionalism. A copy of the peer review report is presented in Appendix A for your review.

**EXPERIENCE**

We have extensive experience in preparing the accounting for and auditing of conduit financing authorities, joint powers authorities and special districts. We also have assisted in the preparation of numerous Comprehensive Annual Financial Reports.

**Conduit Financing, Joint Powers Authorities and Special Districts**

California Transit Financing Authority	Northstar Community Services District
California Pollution Control Financing Authority	Mid-Peninsula Water District
California Enterprise Development Authority	Southgate Recreation & Park District
Sacramento LAFCO	Humboldt Bay Municipal Water District
Local & Regional Gov't Services Authority	California JPIA
Municipal Pooling Authority	Truckee Tahoe Airport District
California Sanitation Risk Mgmt Authority	Public Entity Risk Management Authority
California Special Districts Association	Special District Risk Management Authority
Livermore Area Recreation and Park District	San Mateo County Schools Insurance Group
Special Districts Association of Oregon	CSAC - Excess Insurance Authority
Monterey Peninsula Airport District	Contra Costa Schools Insurance Group
Sacramento Metropolitan Air Quality District	Association of Oregon Cities
California Housing Authority Risk Management Agency	Sacramento Municipal Utility District
Bay Area Housing Authority Risk Management Agency	California Mental Health Services Authority
California Transit Insurance Pool	California Association for Park and Recreation Insurance
Association of Oregon Counties Insurance Trust	California Transit Financing Corporation
Golden State Risk Management Authority	California Housing Workers' Compensation Authority

**Nonprofit (Governmental Related Organizations)**

Crossroads Treatment Center, Inc.	Summerhouse, Inc.
Women's Health Specialists	First 5 Colusa County
California Special Districts Association	Community College League of California



**REFERENCES**

We work hard to earn the trust of our clients and strive to develop a partnership with our clients. Please call our references to find out what difference we can make for our clients. If you speak to our references we are confident you will understand how we are different and can be a valuable part of your team and that we truly enjoy working in this industry and being a resource to our clients.

<b>ORGANIZATION</b>	<b>CONTACT</b>	<b>TYPE OF WORK</b> <b># OF YEARS</b>	<b>PARTNER</b> <b># OF HOURS</b>
California Pollution Control Financing Authority 915 Capitol Mall Sacramento, CA 95814	Dona Yee Controller (916) 653-6217	Yellow Book Audit 2010 to present	James Marta 100 hours
Mid-Peninsula Water District 3 Dairy Lane, Belmont, CA 94002	Tammy Rudock Executive Director (650) 591-8941	Yellow Book Audit 2012 to present	David Becker 250 hours
Sacramento Metropolitan Air Quality Management District 777 12th Street, 3rd Floor Sacramento, CA 95814	Mike Sinkevich Controller (916) 874-4823	Single Audit / CAFR 2006 to present	James Marta 240 hours
Special District Risk Management Authority 1112 "I" Street, Suite 300 Sacramento, CA 95814	Paul Frydendal Chief Financial Officer (916) 231-4111 ext 139	Yellow Book Audit 1999 to present	James Marta 230 hours



**AUDIT TEAM**

The quality of our audit work depends on our ability to assemble an effective team with the right combination of technical skills and self-insurance experience. We invest in our professional staff by providing them with the best training and tools to achieve excellence in every engagement and assure compliance with professional standards.

Our approach involves a high-level of participation from the firm’s principals. From the outset, our principals are involved in the engagement planning and audit fieldwork all through the completion of the audit. Our experienced team will always be available to address issues and concerns you may have relating to your audit. This increased level of involvement results in a superior level of audit quality.

**Each of our staff is experienced in auditing Joint Powers Authorities, California Special Districts and governmental agencies** and undergoes a rigorous professional development program designed to ensure that each member of the audit team can carry out his or her responsibilities according the exacting standards set by our profession.

In every audit engagement, we ensure that the principal, supervisor, and the senior will always be the same. Any changes to the assigned staff will depend on our scheduling availability but will be of equally qualified personnel.

Your audit team will be comprised of the following individuals:

James P. Marta CPA, ARPM	Technical Review Partner
David Becker, CPA	Lead Partner
Alana Theiss, CPA	Manager
Jesse Deol, CPA	Senior
Robin Zane	Staff

Resumes for each member of your audit team are included for your review.



*Our experienced team **will always be available to address issues and concerns** you may have relating to your audit.*



**James P. Marta, CPA, ARPM**

**POSITION** Partner

**YEARS OF EXPERIENCE** Twenty-six

**EDUCATION** Portland State University, B.S. Accounting and B.S. Finance-Law  
Insurance Institute of America, Associate in Risk Pool Management

**EXPERIENCE**

- Ü Partner with mid-sized CPA firm specializing in self-insurance pool and government audits. Primary focus has been on self-insurance pool audits, consulting and accounting.
- Ü Accreditation manager for CAJPA and regular speaker at the spring and fall CAJPA conferences.
- Ü Assist joint powers authorities in accounting and risk financing issues
- Ü Member of Governor’s team to improve the efficiency of government for the California Department of Motor Vehicles and the State Assembly.
- Ü Consultant to joint powers authorities and special districts in the areas of accounting system design and needs analysis, implementation of accounting and internal control recommendations, budget forecasts and projections, client training seminars, federal and state compliance, and development of interim reporting formats.

Teaching:

- Board Fiscal Oversight – CAJPA
- Pooling Best Practices – CAJPA
- Bond Financing – CASBO
- Fraud Prevention and Detection - CASBO
- Management and Finance – Insurance Education Association

**PROFESSIONAL AFFILIATIONS**

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CSCPA)
- California Association of Joint Power Authorities (CAJPA)
- California Special Districts Association (CSDA)





**David T. Becker, CPA**

<b>POSITION</b>	Partner
<b>YEARS OF EXPERIENCE</b>	Twenty-six
<b>EDUCATION</b>	California State University Sacramento, B.S. Accounting
<b>EXPERIENCE</b>	<p>Partner with regional CPA firm specializing in California Special Districts and Government audits.</p> <p>Regular speaker for CSDA at seminars, annual conference and General Managers Leadership Summit.</p> <p>Consultant to special districts in the areas of accounting system design and needs analysis, implementation of accounting and internal control recommendations, training workshops, federal and state compliance, and fraud investigation.</p> <p>Teaching for California Special Districts Association:          Fraud, Internal Controls and Emerging Technology          Board’s Role in Finance and Fiscal Accountability          Other Postemployment Benefits (GASB 45)          Financial Best Practices</p>
<b>PROFESSIONAL AFFILIATIONS</b>	<ul style="list-style-type: none"> <li>• American Institute of Certified Public Accountants (AICPA)</li> <li>• California Society of Certified Public Accountants (CSCPA)</li> <li>• California Association of School Business Officials (CASBO)</li> <li>• California Association of Joint Power Authorities (CAJPA)</li> <li>• California Special Districts Association (CSDA)</li> </ul>



**Alana N. Theiss, CPA**

**POSITION**                      Manager

**YEARS OF EXPERIENCE**                      Eight

**EDUCATION**                      University of Phoenix  
  
Bachelor of Science in Business Administration,  
Concentration in Accounting

- EXPERIENCE**
- Audits of Governmental Entities and Special Districts
  - Audits of K-12 educational entities
  - Accounting for Governmental and public entities
  - Audits of Nonprofit Entities
  - Substantive account testing and Analysis
  - Program year accounting and allocations
  - Audit reporting and disclosures
  - Individual tax preparation
  - Corporate tax preparation

Special Districts:  
California Pollution Control Financing Authority  
California Sanitation Risk Management Authority  
Alaska Municipal League Joint Insurance Association  
Livermore Area Recreation and Park District  
Special Districts Association of Oregon

- RELATED CONTINUING EDUCATION**
- Accounting and Auditing standards updates
  - Audits of Self-Insurance Pools
  - Governmental Audit Training
  - OMB A-133 Single Audits

- PROFESSIONAL AFFILIATIONS**
- American Institute of Certified Public Accountants (AICPA)
  - California Society of Certified Public Accountants (CSCPA)

**Jesse Deol, CPA**

**POSITION** Senior

**YEARS OF EXPERIENCE** Five

**EDUCATION** California State University Sacramento  
Bachelor of Science in Accounting

**EXPERIENCE**

- Managing audit jobs for special districts, governmental insurance pools and local education agencies from the planning stage to the drafting of annual reports by utilizing various types of computer software to perform audit procedures.
- Analysis, testing, and evaluation of internal controls
- Preparing annual report of financial transactions
- Performing nonprofit organizational audits as well as federal and state compliance testing

Special Districts:  
Mid-Peninsula Water District  
Southgate Recreation and Park District  
Northstar Community Services District  
City County Insurance Services  
Special Districts Association of Oregon

**RELATED COURSES**

- Accounting and Auditing standards updates
- Governmental Audit Training
- Accounting and Audit Aspects of Insurance Cooperatives and Insurance Pools
- Risk-based Auditing

**PROFESSIONAL AFFILIATIONS**

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CSCPA)



## Robin Zane

**POSITION** Staff (passed all parts of CPA exam; awaiting license)

**YEARS OF EXPERIENCE** Three

**EDUCATION** University of California at Santa Barbara  
Bachelor of Science in Business Economics  
with an Emphasis in Accounting

**EXPERIENCE**

- Accounting for governmental and public entities
- Audits of governmental and special districts
- Audits of governmental insurance pools
- Financial accounting for governmental entities
- Substantive account testing and Analysis
- Audit reporting and disclosures
- Individual tax preparation
- Nonprofit tax preparation

Special Districts:

Mid-Peninsula Water District

Southgate Recreation and Park District

Sacramento Air Quality Management District

City County Insurance Services

First 5 Colusa County

**RELATED COURSES**

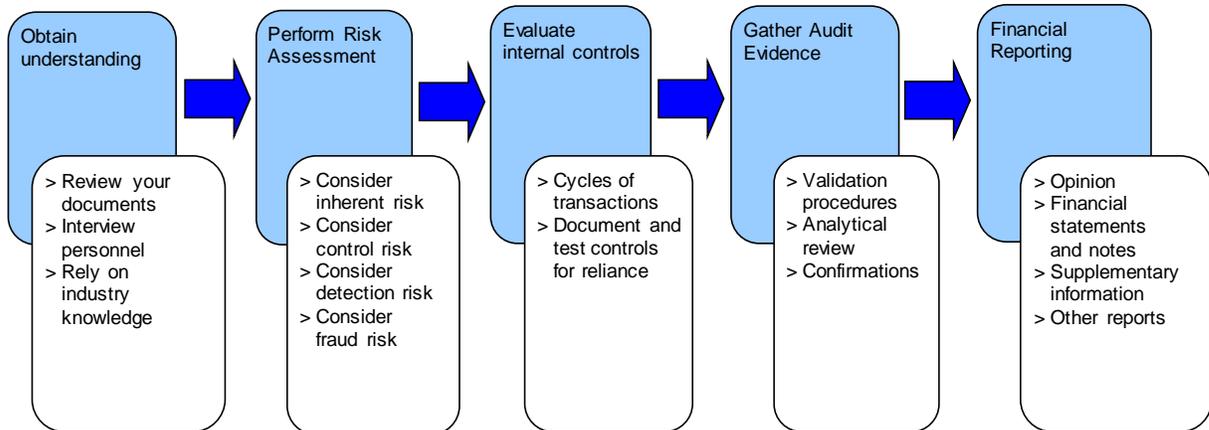
- Accounting and Auditing standards updates
- Governmental Audit Training
- Accounting and Audit Aspects of Insurance Cooperatives and Insurance Pools
- Risk-based Auditing

# AUDIT METHODOLOGY



*Our firm’s commitment to excellence has always motivated us to continuously assess the integrity of our audit process and ensure that they are responsive to the changing environment and comply with evolving standards.*

**Steps in the Audit Cycle**



**AUDIT APPROACH**

Our audit approach has a strong emphasis on early planning and is designed to gain a thorough understanding of your organization and the environment in which it operates, including internal control. We work with management to identify these risks and perform a high quality detailed review of financial operations. With the knowledge of how your organization functions combined with our expertise in the industry, we can tailor our approach by focusing our audit testing to the areas of highest risk. This advance planning typically results in an effective, cost efficient, and timely audit which will ultimately benefit you. Our approach involves:

- < *Risk assessment.* We identify and assess the risk of material misstatements at different levels through interviews with management, analytical procedures, observations, and inspection. Based on our assessment, we will plan and perform procedures that are responsive to risks identified. This will cover the following areas:
  - Ü Financial reporting framework
  - Ü Business and industry
  - Ü Accounting policies and practices
  - Ü Financial performance
  - Ü Internal controls
- < *Process of Review.* Our process includes a corresponding review of all work performed, management letters, and reports to assure that all appropriate professional and technical standards are maintained. With this process, we also assess new standards and their potential impact on the audit process and its resulting report.
- < *Use of various audit tools.* We use audit software programs designed to work on a paperless environment and simplify the routine aspects of audit work. In addition, we use computer assisted auditing techniques which gives us the ability to analyze large amounts of data and efficiently select risky items.

< *Open communication.* Throughout the audit, we provide explanations regarding the procedures that we do so you're not left in the dark. More importantly, we make every attempt to keep the audit liaison informed and appraised of our findings and the status of our work from the preliminary audit work through the delivery of the report and other required audit communications. When you receive your draft report, there shouldn't be any surprises. An end status report is provided with our audit which highlights the following:

- Ü Summary of the audit report
- Ü Financial position and results of operations
- Ü Current issues and significant Trends

**AUDIT PROCESS**

Once appointed the auditor of your organization, we will promptly agree on the dates of the interim and year-end fieldwork and the corresponding deliverables and answer questions concerning your industry, your organization's business activities, operations and accounting, or the preparation of the financial statements. The following are the key phases (segments) of our audit process:

<b>Work Plan</b>						
Number	Task					
		Jun	Jul	Aug	Sept	Oct
1	Discussions with management and Board on accounting and reporting issues - ongoing and available throughout the year					
2	Meeting with management and discussions with Board to review audit risks and discuss scope of engagement.	◆				
3	Prepare list of items needed for audit.	◆				
4	Audit planning and risk assessment.	◆				
5	Perform Internal control testing, preliminary risk assessment and compliance.		◆			
6	Management provides final trial balance and supporting schedules		◆			
7	Perform year-end audit fieldwork, including substantive and analytical procedures.			◆		
8	Prepare annual report of financial transactions.				◆	
9	Provide draft reports for discussion with management				◆	
10	Internal quality control review				◆	
11	Issue final report					◆
12	Present audit report to the Board					◆

<b>PHASE I - AUDIT PLANNING</b>		
<b>SPECIFIC PROCEDURES</b>	<b>Staff</b>	<b><u>Month Complete</u></b>
<p><b>Compliance Review:</b>                      Annually, a review is made of federal and state compliance requirements regarding our audits. For California Enterprise Development Authority this involves reviewing the State Controllers Office audit guidelines and related laws and compliance. Our entire audit staff is trained on new requirements before site work begins.</p>	All	June
<p><b>Introduction of Staff</b>                      &gt; Meet with representatives to discuss:                      - Approach to the audit                      - Client assistance checklist                      - Timelines</p>	Partner Manager Senior	June
<p><b>Risk Assessment Procedures</b>                      &gt; Obtain an understanding of the external and internal factors affecting the organization                      &gt; Review and evaluate the design of internal controls including district policy and procedure manuals.                      &gt; Review of the significant transaction cycles                      &gt; Assess the risk of material misstatements</p>	Partner Manager	May/June
<p><b>Audit Planning</b>                      &gt; Develop the individual plan for the audit (based on the internal control review, risks identified, and our understanding of the client and the industry)                      &gt; Establish materiality                      &gt; Perform preliminary analytical procedures                      &gt; Plan audit procedures in response to assessed risks</p>	Partner Manager Senior	June

<b>PHASE II – INTERIM FIELD WORK</b>		
<b><u>SPECIFIC PROCEDURES</u></b>		
<b>Internal Controls</b>		
> Document internal control procedures for various cycles.	Partner	July
> Gain an understanding of controls over receipts, disbursements and payroll	Manager Senior	
<b>Internal Controls Testing</b>		
> Test of controls.	Manager	July
> Tests performed on transactions from significant transaction cycles and systems.	Senior Staff	
<b>Interim Exit Conference</b>		
> Meeting with management to discuss results of interim work	Partner Manager	July
<b>Audit Status Update</b>		
> Meeting with management to discuss results of interim work	Partner	July

<b>PHASE III- YEAR-END FIELDWORK AND AUDIT COMPLETION</b>		
<b><u>SPECIFIC PROCEDURES</u></b>		
> Obtain financial statements and enter them into financial statement program	Senior Staff	August
> Set up work papers and lead schedules in audit software		
<b>Substantive Testing and Analytical Procedures</b>		
> Perform analytical procedures as necessary	Partner	August
> Verify account balances for the relevant financial statement assertions	Manager	
> Perform substantive testing	Senior	
> Evaluation of evidence obtained	Staff	
<b>Annual Report of Financial Transactions</b>		
> Prepare and file State Controller's Report	Partner	September
<b>Draft Audit Report</b>		
> Prepare audit report based on audit work and evidence obtained	Manager	September
> Prepare all related disclosures	Senior	
<b>Exit Conference</b>		
> Meet with management to discuss results of audit	Partner	September
> Review draft audit report	Manager	
<b>Final Audit Report</b>		
> Issue final report	Partner	September
<b>Governing Board Meeting</b>		
> Presentation of report to the board	Partner	October

- < *Making the audit as easy as possible.* We will make every effort to use schedules and analyses already prepared for internal purposes to eliminate unnecessary duplication of effort between our staff and yours. Because we are experienced in working with organizations like yours, we have prepared customized forms and procedural checklists to streamline our process. You will receive, in advance, a listing of the items we will need from you such as:
- Ü Completion of transaction testing schedules (supplied by the auditor).
  - Ü Completion of questionnaires (provided to you in electronic form)
  - Ü Completion of various account schedules and analyses
  - Ü Preparing bank statement reconciliations and confirmation letters
  - Ü Providing other information to be used in the notes to the financial statements

The completion of these schedules by management before the start of the actual fieldwork will produce a smoother engagement, with fewer interruptions to you. This will benefit you by keeping your audit costs down and ensuring the performance of a timely audit.

< **PAPERLESS FIRM – Paperless Audit**

Our firm is completely paperless. In addition to being good for the environment, it creates efficiencies on both ends of the audit. We provide you with access to a secure portal to upload all the documents we need for the audit. Access and communication are immediate, which creates a seamless audit process that keeps resources free for your day to day operation.

## BENEFITS OF OUR PROCESS

Ultimately, an audit should not be just checking if the numbers agree to some backup documentation. One of our goals is to help you better understand and control your business. We bring our considerable experience into your process to broaden the support of your business and operations.

- < *We provide an analysis of your operations.* We review for you significant relationships between revenues, expenditures, and service levels. This is an important step because it helps identify trends and areas for you to focus your management control and assures that customers receive a precious resource at a fair and reasonable price. Other important benefits include:
- Ü Opportunities to identify training needs for personnel
  - Ü Recognition of growing costs and potential effect on future budgets
  - Ü Identification of opportunities to improve procedures and training
- < *We understand the pressures facing special districts in these challenging economic times.* We give management practical advice on what role a board should be playing in promoting the special district. We have helped our special district clients develop accounting systems that ensure accountability and full utilization of the Authority's resources.

## AUDIT FEES



We have a record of providing high-quality and value-added services for a fair fee. Our low overhead makes it possible for us to provide a low-cost alternative at a time when cutting expenses is a top priority for special districts.

Our charges for the audit will be based on our standard hourly rates plus out-of-pocket costs. A statement will be sent to you each month for progress billing reports. Below is a summary of our proposed fees:

Classification	Total Hours	Hourly Rate	Total
Partner	16	\$ 250	\$ 4,000
Manager	16	140	2,240
Senior	24	125	3,000
Staff	24	100	2,400
Professional discount			(3,440)
Totals	80		\$ 8,200

For the Year Ended June 30, 2014	\$ 8,200
For the Year Ended June 30, 2015	8,400
For the Year Ended June 30, 2016	8,600

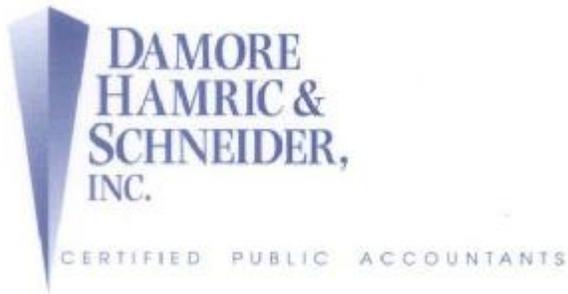
The fees quoted are based upon several assumptions about the adequacy of the accounting records, the degree of assistance to be provided by your personnel, and current auditing and accounting standards. Our fees do not include any accounting services such as closing year-end accounts, or account reconciliations.

If, at any time during our engagement, extraordinary matters come to our attention (i.e. changes in your operations, material weakness in your internal controls) that requires an extension of our services, we will consult with you concerning additional work to be done by you or an adjustment to our fees. In the event that the GASB, FASB, GAO, or AICPA issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you before proceeding further. Before starting the additional work, we will prepare an estimate of the time necessary, as well as the fee for performing the additional work. Our fee for addressing the additional requirements will be our standard hourly rates for each person involved in the additional work.

# APPENDIX A

## PEER REVIEW REPORT





## SYSTEM REVIEW REPORT

November 28, 2011

To the Owner of James P. Marta & Company  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of James P. Marta & Company (the firm) in effect for the year ended May 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards; and audits of employee benefit plans.

*Damore, Hamric & S*

DAMORE, HAMRIC & SCHNEIDER, INC.  
Certified Public Accountants

## Staff Report

<b>Action Requested</b>	Approve Resolution 14-37 authorizing and approving an amendment to a loan agreement to increase the amount of the loan thereunder by \$750,000 for the benefit of Justin-Siena High School Corporation, and authorizing the execution of certain documents herein specified.
<b>Borrower(s)</b>	Justin-Siena High School Corporation
<b>Borrower Description</b>	<p>This amendment of the original resolution is to increase the financing amount by \$750,000. When working on renovations, the site cleanup involved unexpected amounts of asbestos and expenses were more than expected. The additional funding will finish the project.</p> <p>Justin-Siena High School (<a href="http://www.justin-siena.org">www.justin-siena.org</a>) is a Catholic, college preparatory high school in the Lasallian tradition that serves approximately 635 young men and women in grades 9 through 12. The School is located on forty acres in the City of Napa and is accredited by both the Western Association of Schools and Colleges (WASC) and the Western Catholic Education Association (WCEA). While Justin-Siena primarily serves students from Napa, Sonoma, and Solano Counties, each year the school welcomes approximately 20 international students who hail from countries such as Brazil, Germany, Vietnam, Korea, China, Spain and Italy.</p>
<b>TEFRA Hearing</b>	The Board of Supervisors of the County of Napa held a TEFRA hearing to review the financing on June 3, 2014.
<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 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.</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval

**RESOLUTION NO. 14- 37**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING AN AMENDMENT TO A LOAN AGREEMENT TO INCREASE THE AMOUNT OF THE LOAN THEREUNDER BY \$750,000 FOR THE BENEFIT OF JUSTIN-SIENA HIGH SCHOOL CORPORATION, AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED**

**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 enter into loan agreements to, among other things, finance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

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

**WHEREAS**, the County of Napa (the “County”) is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement for the purposes of promoting economic development; and

**WHEREAS**, on June 13, 2013, the Authority adopted Resolution No. 13-24 approving a tax-exempt loan from Umpqua Bank (the “Lender”) to the Authority in an amount not to exceed \$4,500,000 (the “Authority Loan”) and a loan of the proceeds of the Authority Loan (the “Borrower Loan”) to Justin-Siena High School Corporation, a California nonprofit religious corporation (the “Borrower”), for the purpose of (i) financing and refinancing the cost of acquisition, construction, installation, renovation and equipping of the real property located at 4026, 4032 and 4038 Maher Street, Napa, California 94558, including an approximately 10,000 square foot student dormitory, a cafeteria, a library, classrooms and other educational facilities (collectively the “Facilities”), and (ii) paying certain costs of issuance in connection with the transaction (collectively, the “Project”); and

**WHEREAS**, the Authority, the Borrower and the Lender entered into a Loan Agreement, dated as of June 1, 2013 (the “Loan Agreement”), pursuant to which the Lender made the Authority Loan to the Authority and the Authority made the Borrower Loan to the Borrower for the purpose of, among other things, financing the Project; and

**WHEREAS**, the Borrower and the Lender desire to increase the principal amount of the Authority Loan and the Borrower Loan to provide additional financing in the amount of \$750,000 (the “Financing”) to complete the Project, and pay certain costs of issuance in connection with the Financing, and have requested that the Authority enter into a First Amendment to Loan Agreement (the “First Amendment”) to, among other things, increase the principal amount of the Authority Loan and the Borrower Loan and to make other necessary changes to the Loan Agreement in connection with the Financing; and

**WHEREAS**, in accordance with the requirements of Section 147(f) of the Code, the Board of Supervisors of the County adopted, on June 3, 2014, a resolution approving the Financing; and

**WHEREAS**, the Facilities are expected to provide significant benefits to the residents of the County and surrounding communities through the educational services provided by the Borrower and will also create and retain employment opportunities for residents of the County and surrounding communities over the long term; and

**WHEREAS**, the financing for the Borrower through the Authority will result in a more economical and efficient funding process because of the Authority’s expertise in conduit financings; and

**WHEREAS**, the Authority has determined to approve and authorize the execution of the First Amendment and to take and authorize certain other actions in connection with the foregoing;

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

**Section 1.** The Authority finds that it is in the public interest to assist the Borrower by approving the First Amendment.

**Section 2.** The proposed form of the First Amendment, among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (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 First Amendment 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 Authority counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 3.** The Authorized Signatories, each acting alone, are hereby authorized and directed to execute all documents, certificates and instruments necessary or appropriate to accomplish the purposes of this Resolution, including, without limitation, a supplemental tax regulatory certificate and a no arbitrage certificate, which they or bond counsel may deem necessary or advisable in order to effectuate the purposes of this Resolution.

**Section 4.** All actions heretofore taken by the officers and employees of the Authority with respect to the First Amendment are hereby approved, confirmed and ratified, and the officers and employees of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to effectuate the purposes of this Resolution.

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

PASSED AND ADOPTED this 5<sup>th</sup> of June, 2014.

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 June 5, 2014.

---

Michelle Stephens, Assistant Secretary

## Staff Report

<b>Action Requested</b>	Approve Resolution 14-38 authorizing and approving a loan agreement pursuant to which the California Enterprise Development Authority will make a loan for the purpose of refinancing the cost of acquisition, construction, installation, renovation and equipping of certain facilities for the benefit of Neighborhood Healthcare, providing the terms and conditions for such loan agreement and other matters relating thereto.
<b>Borrower(s)</b>	Neighborhood Healthcare
<b>Borrower Description</b>	<p>Neighborhood Healthcare, a federally funded Community health Clinic, began operations in 1969 and has served the areas of Escondido, Temecula, Pauma Valley, Menifee, Lakeside, El Cajon, and the North Inland San Diego County. As a private, non-profit 501( c)3 community health organization, Neighborhood Healthcare serves as a safety net for the community by providing 281,100 medical, dental, and behavioral health visits to 69,500 people annually.</p> <p>This resolution approves up to \$2,600,000 to refinance the costs of acquisition, construction, installation, renovation and equipping of family health clinics that provide healthcare services to the local community. The locations to be refinanced include 728 East Valley Parkway, 426 North Date Street, 1001 East Grand Avenue, and 425 North Date Street, Escondido, California 92025.</p>
<b>Public Benefits</b>	<p>Many public benefits will result from this project, including:</p> <ol style="list-style-type: none"> <li>1. Significant long-term interest savings for Neighborhood Healthcare, which will allow them to continue to provide and improve healthcare services to the community, particularly those clients most in need.</li> </ol>
<b>Local Approval</b>	The Board of Supervisors of the County of San Diego held a TEFRA hearing to review the financing on May 20, 2014.
<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 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.</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution.

## RESOLUTION NO. 14-38

### CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

#### **RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN FOR THE PURPOSE OF REFINANCING THE COST OF ACQUISITION, CONSTRUCTION, INSTALLATION, RENOVATION AND EQUIPPING OF CERTAIN FACILITIES FOR THE BENEFIT OF NEIGHBORHOOD HEALTHCARE, PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**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 enter into loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

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

**WHEREAS**, the County of San Diego (the “County”) is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement for the purposes of promoting economic development; and

**WHEREAS**, Neighborhood Healthcare, a California nonprofit corporation (the “Borrower”), has submitted an application to the Authority requesting the Authority to make a loan (the “Borrower Loan”) in the aggregate principal amount not to exceed \$2,600,000 to the Borrower for the purpose of (i) refinancing the costs of acquisition, construction, rehabilitation and equipping of the healthcare facilities located at (a) 728 East Valley Parkway, Escondido, California 92025, (b) 426 North Date Street, Escondido, California 92025, (c) 1001 East Grand Avenue, Escondido, California 92025, and (d) 425 North Date Street, Escondido, California 92025 (collectively the “Facilities”), and (ii) paying certain costs of issuance in connection with the Loan (as defined below); and

**WHEREAS**, the Authority intends to use the proceeds of a tax-exempt loan from Lender to the Authority (the “Authority Loan” and, together with the Borrower Loan, the “Loan”) to make the Borrower Loan; and

**WHEREAS**, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) A proposed form of the Loan Agreement, by and among City National Bank (the “Lender”), the Authority and the Borrower (the “Loan Agreement”); and

(b) A proposed form of Assignment Agreement, between the Authority and the Lender (the “Assignment Agreement”); and

**WHEREAS**, in accordance with the requirements of Section 147(f) of the Code, the Board of Supervisors of the County adopted, on May 20, 2014, a resolution approving the issuance of the Authority Loan in order to refinance the Facilities located in the County; and

**WHEREAS**, the Facilities provide significant benefits to the residents of the County and surrounding community through the health facilities provided by the Borrower and, based on representations of the Borrower, the refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

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

**Section 1.** The Authority finds that it is in the public interest to assist the Borrower in refinancing the Facilities.

**Section 2.** The Authority hereby approves of the entering into the Authority Loan on a tax-exempt basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Authority) under the Borrower Loan.

**Section 3.** The proposed form of the Loan Agreement by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (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 Loan Agreement 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 counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**Section 4.** The proposed form of the Assignment Agreement by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement 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 counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

**Section 5.** The Authority approves the Authority Loan on a tax-exempt basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$2,600,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

**Section 6.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by Lender to an affiliate of Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 7.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 8.** 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.

**Section 9.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this June 5, 2014.

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 June 5, 2014.

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Michelle Stephens, Assistant Secretary

## Staff Report

<b>Actions Requested</b>	<p>Approve Resolution 14-39 Approving Associate Membership of the City of Imperial Beach in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.</p> <p>Approve Resolution 14-40 Approving Associate Membership of the City of Willows in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.</p> <p>Approve Resolution 14-41 Approving Associate Membership of the City of Cypress in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.</p>
<b>Public Benefits</b>	<p>Adoption of Resolutions 14-39 and 14-41 will allow CEDA to issue bonds and other tax-exempt financings within the Cities of Imperial, Willows, and Cypress. 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.</p>
<b>Recommendation</b>	<p>Staff recommends approval of Resolution 14-02 and 14-03 Approving Associate Membership of the Cities of Imperial, Willows, and Cypress in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Memberships.</p>

**RESOLUTION NO. 14-39**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION APPROVING ASSOCIATE MEMBERSHIP OF THE CITY OF IMPERIAL BEACH 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 City of Imperial Beach (the “Public Entity”) desires to join the Authority and adopted an authorizing resolution approving a Associate Membership Agreement on May 21st, 2014, or thereafter (the “Associate Membership Agreement”); and

**WHEREAS**, the Board of Directors desires to admit the Public Entity into the Authority as an associate member subject to the Public Entity adopting the authorizing resolution approving the Associate Membership Agreement.

**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 contingent on the Public Entity adopting the appropriate associate membership resolution.

**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 and the adoption of the associate membership resolution by the Public Entity.

The foregoing Resolution was on the 5<sup>th</sup> day of June 2014, 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

**RESOLUTION NO. 14-40**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION APPROVING ASSOCIATE MEMBERSHIP OF THE CITY OF WILLOWS 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 City of Willows (the “Public Entity”) desires to join the Authority and adopted an authorizing resolution approving a Associate Membership Agreement on May 27th, 2014, or thereafter (the “Associate Membership Agreement”); and

**WHEREAS**, the Board of Directors desires to admit the Public Entity into the Authority as an associate member subject to the Public Entity adopting the authorizing resolution approving the Associate Membership Agreement.

**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 contingent on the Public Entity adopting the appropriate associate membership resolution.

**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 and the adoption of the associate membership resolution by the Public Entity.

The foregoing Resolution was on the 5<sup>th</sup> day of June 2014, 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

**RESOLUTION NO. 14-41**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION APPROVING ASSOCIATE MEMBERSHIP OF THE CITY OF CYPRESS 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 City of Cypress (the “Public Entity”) desires to join the Authority and adopted an authorizing resolution approving a Associate Membership Agreement on May 27th, 2014, or thereafter (the “Associate Membership Agreement”); and

**WHEREAS**, the Board of Directors desires to admit the Public Entity into the Authority as an associate member subject to the Public Entity adopting the authorizing resolution approving the Associate Membership Agreement.

**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 contingent on the Public Entity adopting the appropriate associate membership resolution.

**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 and the adoption of the associate membership resolution by the Public Entity.

The foregoing Resolution was on the 5<sup>th</sup> day of June 2014, 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

**Action Requested**

Approve Resolution 14-42 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Santa Paula.

Approve Resolution 14-43 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Waterford.

Approve Resolution 14-44 Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the County of Monterey.

**Project Background**

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.

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).

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.

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 July 10, 2014, for the public hearing required for the formation of the assessment district.

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.

<b>Recommendation</b>	Staff recommends approval of Resolutions 14-42, 14-43, and 14-44 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 Cities of Santa Paula and Waterford and the County of Monterey.
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## RESOLUTION NO. 14-42

### 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 SANTA PAULA

**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 Santa Paula (the “City”) located in the County of Ventura (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 Financing (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, July 10th, 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 5<sup>th</sup> day of June, 2014.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

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

ATTEST:

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

## **RESOLUTION NO. 14-43**

### **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 WATERFORD**

**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 Waterford (the “City”) located in the County of Stanislaus (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 Financing (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, July 10th, 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 5<sup>th</sup> day of June, 2014.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

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

ATTEST:

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

**RESOLUTION NO. 14-44**

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

**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, Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) 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 County of Monterey (the “County”) to enter into contractual assessments for the financing of the installation of Authorized Improvements in the County; and

**WHEREAS**, CEDA desires to declare its intention to establish a Figtree PACE program (“Figtree PACE”) in the County, 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 County.

**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 County.
- (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 County.

**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 County, within which CEDA and property owners within the County 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 County 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 County including unincorporated territory within County Boundaries. A property owner located within a City within the County may enter into contractual assessments with CEDA only after such City has adopted a resolution to authorize participation in the PACE Program.

**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 Financing (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 are 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 the 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 the

Board of Directors 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, July 10<sup>th</sup> 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 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 5th day of June 2014.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

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

ATTEST:

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

## Staff Report

<b>Action Requested</b>	Approve Resolution 14-45 authorizing and approving a loan agreement pursuant to which the California Enterprise Development Authority will make a loan for the purpose of refinancing the cost of acquisition, construction, installation, renovation and equipping of certain facilities for the benefit of North Peninsula Jewish Campus, Peninsula Jewish Community Center, and Ronald C. Wornick Jewish Day School, providing the terms and conditions for such loan agreement and other matters relating thereto.
<b>Borrower(s)</b>	North Peninsula Jewish Campus, Peninsula Jewish Community Center, and Ronald C. Wornick Jewish Day School
<b>Borrower Description</b>	<p>The North Peninsula Jewish Campus (NPJC) was formed in 2004 to be the lead agency for the original bond issue, and to manage the property and investments for the Peninsula Jewish Community Center (PJCC) and the Wornick Jewish Day School.</p> <p>The NPJC oversees the property, financing, and investments for the PJCC and Wornick School. The PJCC operates a full-service community center with a large fitness center with health and wellness programs, gymnasium, two pools, preschool, camps, youth and afterschool programs, adult programs, transportation services, cultural arts programs, and Jewish life programs. The Wornick School is an independent K-8 school that provides a high quality academic and athletic programs.</p> <p>The NPJC is refinancing its existing bonds at \$10,000,000, while paying down the remaining outstanding bond principal with existing funds.</p>
<b>Public Benefits</b>	The benefits of this project will continue to employ over 185 employees and over 100 part-time to provide health, wellness, recreational, educational, and community activities to the communities of San Mateo County, California. The PJCC provides services to the communities that are not readily available to many community residents within about 10-15 mile radius of the facilities.
<b>Local Approval</b>	Tax Counsel has advised that a TEFRA approval is not required since the maturity date and the weighted average maturity of the new obligation are not longer than the bonds being refunded.
<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 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.</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution.

**RESOLUTION NO. 14-45**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A MASTER LOAN AGREEMENT WITH FIRST REPUBLIC BANK AND NORTH PENINSULA JEWISH CAMPUS, PENINSULA JEWISH COMMUNITY CENTER, AND RONALD C. WORNICK JEWISH DAY SCHOOL, PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN IN AN AMOUNT NOT TO EXCEED \$10,000,000 FOR THE PURPOSE OF REFINANCING THE CURRENTLY OUTSTANDING CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY REVENUE BONDS (NORTH PENINSULA JEWISH CAMPUS), SERIES 2004, FOR THE BENEFIT OF NORTH PENINSULA JEWISH CAMPUS, PENINSULA JEWISH COMMUNITY CENTER, AND RONALD C. WORNICK JEWISH DAY SCHOOL, PROVIDING THE TERMS AND CONDITION FOR SUCH MASTER LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**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 "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;

**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 enter into loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") which are determined by the Authority to satisfy certain criteria (each, an "Eligible Organization");

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

**WHEREAS**, the City of Foster City (the "City") is an associate member of the Authority; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds or other evidences of indebtedness, rather than certificates of participation, and enter into a loan agreement with an Eligible Organization; and

**WHEREAS**, North Peninsula Jewish Campus, Peninsula Jewish Community Center and

Ronald C. Wornick Jewish Day School (collectively, the “Borrowers”) wish: (i) to refinance the outstanding \$43,000,000 California Statewide Communities Development Authority Revenue Bonds (North Peninsula Jewish Campus), Series 2004 (the “Prior Bonds”), which Prior Bonds financed or refinanced various capital improvements on the Borrowers’ facilities located at 800-806 Foster City Boulevard, Foster City, California 94404 (collectively, the “Project”), owned and operated by the Borrowers and (ii) to pay certain costs of issuance in connection with the financing; and

**WHEREAS**, there has been filed with the Secretary of the Authority a proposed form of a (i) Master Loan Agreement (the “Master Loan Agreement”), by and among First Republic Bank, as lender (the “Lender”), the Authority and the Borrowers, and (ii) Assignment Agreement (the “Assignment Agreement”) from the Authority to the Lender; and

**WHEREAS**, the Authority intends to use the proceeds of a tax-exempt loan from the Lender to the Authority (the “Authority Loan”) in an amount not to exceed \$10,000,000 to make a loan of equal amount to Borrowers (the “Borrower Loan”); and

**WHEREAS**, in connection with the California Statewide Communities Development Authority’s issuance of the Prior Bonds, the City Council of the City adopted a resolution, dated July 19, 2004, a portion of which provided approval of the issuance of the Prior Bonds following a properly noticed public hearing held by the City, for purposes of satisfying the public approval requirements of Section 147(f) of the Code; and

**WHEREAS**, because (i) the refunding of the Prior Bonds with proceeds of the Authority Loan constitutes a “current refunding” under Section 1.150-1(d) of the Treasury Regulations, and (ii) the average maturity date of the Authority Loan is not later than the average maturity date of the outstanding Prior Bonds, the Authority understands from counsel to the Lender that, pursuant to Section 147(f)(2)(D) of the Code, public approval under Section 147(f)(2)(A) of the Code is not necessary with respect to the issuance of the Authority Loan; and

**WHEREAS**, the Borrowers are expected to provide significant benefits to the residents of the City and surrounding communities and will also create and retain employment opportunities for residents of the City and surrounding communities over the long term; and

**WHEREAS**, the financing for the Borrowers through the Authority will result in a more economical and efficient funding process because of the Authority’s expertise in conduit financings; and

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

**Section 1.** The Board hereby finds and determines that the foregoing recitals are true and correct. The Board finds that it is in the public interest to assist the Borrowers in financing the Project.

**Section 2.** The Authority hereby approves of the entering into the Authority Loan on a tax-exempt basis and using the proceeds thereof to make the Borrower Loan pursuant to the

terms and provisions of the Master Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority's payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrowers to the Lender (as assignee of Authority) under the Borrower Loan.

**Section 3.** The proposed form of the Master Loan Agreement by and among the Authority, the Lender and the Borrowers, on file with the Secretary of the Authority, is hereby approved in substantially the form presented to and considered at the meeting of the Board. The Chair or the Vice Chair of the Board of Directors (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 Master Loan Agreement 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 counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Master Loan Agreement.

**Section 4.** The proposed form of the Assignment Agreement executed by the Authority in favor of the Lender, on file with the Secretary of the Authority, is hereby approved. Each of 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 Assignment Agreement 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 counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The Authority approves the Authority Loan on a tax-exempt basis and the making of the Borrower Loan to the Borrowers in an amount not to exceed \$10,000,000 in accordance with the terms of and to be secured by the Master Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Master Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Master Loan Agreement.

**Section 6.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrowers, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any assignment by Lender to an affiliate of Lender or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by the Chair or the Vice Chair or any designee of either of them without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 7.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 8.** 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 June 5, 2014.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

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

ATTEST:

\_\_\_\_\_  
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 June 5, 2014.

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Michelle Stephens, Assistant Secretary