

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## REGULAR MEETING

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

10:30 A.M.

Thursday, March 1, 2018

Teleconference Phone Information

(712) 775-7031 - Conference Code: 895081223

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

### Action Items

1. Approve Minutes from the Regular Meeting on February 15, 2018.
2. Approve Resolution No. 18-14 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2018-1, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.
3. Approve Resolution No. 18-15 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2018-2, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.

**Public Comment**

**Chair Report**

**PACE Report**

**Other Business**

**Adjournment**

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

California Association for  
Local Economic  
Development  
(contact Helen  
Schaubmayer)  
550 Bercut Drive, Suite G  
Sacramento, CA 95811

City of Vista  
(contact Kevin Ham or  
Reception)  
200 Civic Center Dr.  
Vista, CA 92084

Sacramento Municipal Utility District  
(contact Mather Kearney)  
6301 S Street  
Sacramento, CA 95817

City of Santa Clarita  
(contact Jason Crawford or  
Dana Gibson)

City of Lakeport  
(contact Margaret Silveira or  
Hilary Britton)  
225 Park Street  
Lakeport, CA 95453

Los Angeles County  
Economic Development  
Corporation (LAEDC)  
(contact Carrie Rogers or  
Linden Johnson)  
444 S. Flower St., 37<sup>th</sup> Floor  
Los Angeles, CA 90071

## CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

23920 Valencia Blvd., Suite  
100  
Santa Clarita, CA 91355

City of West Sacramento  
(contact Aaron Laurel or  
Polly Harris)

County of Stanislaus  
(contact Keith Boggs or  
Sheryl Swartz)

1110 West Capitol Avenue,  
3<sup>rd</sup> Floor  
West Sacramento, CA 95691

1010 10<sup>th</sup> Street, Room 5003  
Modesto, CA 95354

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. 16.

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

**MINUTES**  
**Regular Meeting**  
**\*\*\*TELECONFERENCE MEETING\*\*\***  
**CEDA BOARD OF DIRECTORS**  
**Thursday, February 15, 2018**

**Teleconference Locations**

California Association for Local Economic Development (contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811	City of Vista (contact Kevin Ham or Reception) 200 Civic Center Dr. Vista, CA 92084	Sacramento Municipal Utility District (contact Mather Kearney) 6301 S Street Sacramento, CA 95817
City of Santa Clarita (contact Jason Crawford or Dana Gibson) 23920 Valencia Blvd., Suite 100 Santa Clarita, CA 91355	City of Lakeport (contact Margaret Silveira or Hilary Britton) 225 Park Street Lakeport, CA 95453	Los Angeles County Economic Development Corporation (LAEDC) (contact Carrie Rogers or Linden Johnson) 444 S. Flower St., 37 <sup>th</sup> Floor Los Angeles, CA 90071
County of Stanislaus (contact Keith Boggs or Sheryl Swartz) 1010 10 <sup>th</sup> Street, Suite 5003 Modesto, CA 95354	City of West Sacramento (contact Aaron Laurel or Polly Harris) 1110 West Capitol Avenue, 3 <sup>rd</sup> Floor West Sacramento, CA 95691	

**Call to Order**

Gurbax Sahota, Board Chair of the California Enterprise Development Authority, called the meeting to order at 10:30am.

**Roll Call**

Members Present: Mather Kearney  
Aaron Laurel

CALED Management/Staff

Present: Jillian Boyd

Public: Ryan Ahearn, Dividend Finance  
Michael Karlosky, Dividend Finance  
Robin Liu, Kutak Rock, LLC  
Angelito Tolentino, Life Chiropractic College West, Inc.

**Statement of Disclosure**

None

**Action Items**

1. Approve Minutes from the Regular Meetings on January 18, 2018.

**Motion:** Board Member Gurbax Sahota made the motion to approve minutes from the Regular Meeting on January 18, 2018. Board Member Aaron Laurel seconded the motion on the floor.

*The motion passed with the following roll call vote:*

Mather Kearney	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye

2. Approve Resolution No. 18-07 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of the Acquisition, Construction, Improvement, Installation, Equipping and Furnishing of Facilities for the Benefit of Life Chiropractic College West, Incorporated and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** Board Member Mather Kearney made the motion to approve Resolution No. 18-07. Board Member Aaron Laurel seconded the motion on the floor.

*The motion passed with the following roll call vote:*

Mather Kearney	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye

**Discussion:** Gurbax briefed the Board there was additional information that needed to be added to the staff report due to SB 450 in pursuant to California government code section 5821.1, the Borrower has provided certain required information to CEDA as set forth on Attachment I of Resolution No. 18-07. Robin briefed the Board there were four items that needed to be reported: true interest cost, amount and total payment of loan and savings of new program. Angelito Tolentino with Life Chiropractic College West, Inc. briefed the Board their goal through this issuance is to take advantage of the low interest rate and refinance debt.

3. Approve Resolution No. 18-08 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of the Acquisition, Renovation, Equipping and Furnishing of Facilities for the Benefit of San Diego Center for Children and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** Board Member Aaron Laurel made the motion to approve Resolution No. 18-08. Board Member Mather Kearney seconded the motion on the floor.

*The motion passed with the following roll call vote:*

Mather Kearney	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye

**Discussion:** Robin briefed the Board the San Diego Center for Children is the oldest non-profit in San Diego and was founded in 1887. Robin stated the San Diego Center for Children

offers services to children and families that are mentally disabled. Gurbax stated the loan amount will not exceed \$4,300,000.

4. Approve Resolution No. 18-09 Approving Associate Membership of the City of Lathrop in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to Said Associate Memberships.
5. Approve Resolution No. 18-10 Approving Associate Membership of the City of Pleasanton in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to Said Associate Memberships

**Motion:** *Board Member Mather Kearney made the motion to approve Resolution No.'s 18-09 – 18-10. Board Member Aaron Laurel seconded the motion on the floor.*

*The motion passed with the following roll call vote:*

Mather Kearney	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye

6. Approve Resolution No. 18-11 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements in the City of Lathrop.
7. Approve Resolution No. 18-12 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements in the City of Milpitas.
8. Approve Resolution No. 18-13 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements in the City of Pleasanton.

**Motion:** *Board Member Aaron Laurel made the motion to approve Resolution No.'s 18-11 – 18-13. Board Member Mather Kearney seconded the motion on the floor.*

*The motion passed with the following roll call vote:*

Mather Kearney	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye

### **Public Comment**

#### **Chair Report**

Gurbax mentioned CEDA is in progress of writing a debt policy for the conduit bond process based on legislation passed this past year.

#### **PACE Report**

Michael Karlosky from Dividend briefed the Board on the exclusivity waiver for Los Angeles County. Michael stated that Los Angeles County administers their own PACE program and will not participate in a JPA program. By approving this exclusivity waiver, this allows Dividend to move forward with residential PACE throughout Los Angeles County without CEDA's PACE

program. Dividend expects to start onboarding in quarter three. Ryan Ahearn stated working with the Los Angeles County would create a larger footprint for residential PACE.

**Other Business**

Aaron Laurel requested the full address be listed in the staff report for each project moving forward.

**Adjournment**

**Motion:** *Board Member Mather Kearney made the motion to adjourn the meeting. Board Member Aaron Laurel seconded the motion on the floor. Board Chair, Gurbax Sahota adjourned the meeting at 10:48 am by voice vote.*

## Staff Report

Action Requested	Approve Resolution No. 18-14 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2018-1, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.	
Project Description	The series of the bonds are in an amount not to exceed \$2,000,000. The proceeds of such bonds will be used to make property-assessed energy efficiency improvements to parcels within the PACE District.	
	The project:	
	<b>Property Owner and Address</b>	<b>Description of Improvements being financed</b>
Public Benefits	<p>The Program seeks to provide multiple benefits to those property owners who are desirous of the following:</p> <ul style="list-style-type: none"> <li>• Saving money by reducing their utility bill</li> <li>• Improving their residence or business</li> <li>• Promoting energy conservation</li> <li>• Stimulating the local economy</li> </ul> <p>The Program provides a local stimulus to the economy through local energy conservation-related job creation.</p> <p>Added benefits include:</p> <ul style="list-style-type: none"> <li>• Sales tax revenues from energy and water efficiency improvement installations</li> <li>• Fee revenues from permits issued for the Construction Work</li> <li>• Cleaner communities</li> </ul> <p>For property owners, the benefits include:</p> <ul style="list-style-type: none"> <li>• A no-money-down means of financing energy and water efficiency improvements</li> <li>• Fixed-rate assessment financing repaid and amortized up to 20 years</li> <li>• Financing without requiring a property appraisal</li> </ul> <p>Reduced utility costs through energy efficiency improvements</p>	

<p>Eligibility and Policy Review</p>	<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> <li>• Pursuant to California Government Code Section 5852.1, the Purchaser has provided certain required information to CEDA as set forth on Attachment I of Resolution No. 18-14</li> </ul>
<p>Recommendation</p>	<p>Staff recommends approval of Resolution No. 18-14 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2018-1, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.</p>



**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION NO. 18-14**

**RESOLUTION AUTHORIZING THE ISSUANCE OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (PACE-M1) LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES 2018-1, AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE AND BOND PURCHASE AGREEMENT, AND AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER RELATED DOCUMENTS AND ACTIONS NECESSARY TO THE DELIVERY OF SUCH BONDS**

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

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

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

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

**WHEREAS**, pursuant to Resolution 12-31 adopted on September 6, 2012, the Authority created its Water Efficiency and Property Assessed Clean Energy (PACE) and Job Creation Program (the “Program”); and

**WHEREAS**, pursuant to the Program, certain Member Jurisdictions (the “Participating Member Jurisdictions”) have formed contractual Energy and Water Efficiency Property Assessed Clean Energy (PACE) Assessment Districts (the “Assessment Districts”) within their boundaries and have executed or shall execute certain Participation Agreements with the Authority (the “Participation Agreements”); and

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

**WHEREAS**, the Authority desires at this time to provide for the funding of the Program by the authorization of the issuance of not to exceed \$2,000,000 California Enterprise Development Authority Commercial Property Assessed Clean Energy (PACE-M1) Limited Obligation Improvement Bonds, Series 2018-1 (the “2018-1 Bonds”) pursuant to that certain Master Indenture of Trust (the “Master Indenture”), by and between the Authority and Deutsche Bank National Trust Company, or another trustee designated by the Authority from time to time (the “Trustee”), and that certain Supplemental Indenture of Trust No. 11 (the “Supplemental Indenture No. 11” and, together with the Master Indenture, the “Indenture”) by and between the Authority and the Trustee, each on file with the Secretary of the Authority; and

**WHEREAS**, the Series 2018-1 Bonds shall be issued pursuant to Section 5898, et seq. of the California Streets and Highways Code and the Assessment District Act of 1915 (codified at California Streets and Highways Code Section 8500 et seq.); and

**WHEREAS**, the Series 2018-1 Bonds are secured by the assessments and each installment thereof (the “Assessment Installments”), including interest and penalties thereon, and the Assessment Liens shall constitute a lien against the Property on which they are recorded, until the same shall be paid; and

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

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

**WHEREAS**, the Series 2018-1 Bonds will be sold pursuant to the Bond Purchase Agreement to Figtree PACE Bond Holdings, LLC, a Delaware limited liability company, or its affiliate or assignee, as purchaser (the “Purchaser”); and

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

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

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

Section 2. The Authority hereby authorizes the issuance of the Series 2018-1 Bonds in the principal amount not to exceed \$2,000,000 and the sale of the Series 2018-1 Bonds to the Purchaser pursuant to the terms of the Bond Purchase Agreement. The Series 2018-1 Bonds

and the interest thereon shall be special, limited obligations of the Authority, and payment of the principal of, redemption premium, if any, and interest on, the Series 2018-1 Bonds shall be made solely from payment of assessment liens made by the property owners pursuant to their assessment contracts and certain moneys held under the Indenture, and the Series 2018-1 Bonds shall not be deemed to constitute a general obligation of the Authority or of any member of the Authority or an obligation or commitment by the Authority to expend any of its funds other than from certain funds received from the payment of assessment liens by property owners.

Section 3. The Chair or the Vice Chair of the Board of Directors of the Authority (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver Supplemental Indenture No. 11 and the Bond Purchase Agreement each in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of the Authority’s counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Authority hereby authorizes the issuance of the Series 2018-1 Bonds upon the terms as provided in the Master Indenture and Supplemental Indenture No. 11 in a principal amount of up to \$2,000,000. The Series 2018-1 Bonds shall mature not more than 25 years from the date of issuance thereof. The Series 2018-1 Bonds shall be payable as to interest on March 2 and September 2 commencing the first such date following the issuance thereof, with optional and mandatory redemption provisions of principal thereof as set forth in Supplemental Indenture No. 11.

Section 5. The interest rate on the Series 2018-1 Bonds shall not exceed 8.00% per annum. The costs of issuance and other Program expenses to be funded from the net available proceeds of the Series 2018-1 Bonds shall be in such amounts as provided in Supplemental Indenture No. 11 and a requisition signed by an Authorized Signatory.

Section 6. The Series 2018-1 Bonds shall be executed by the manual or facsimile signature of the Chair or the Vice Chair of the Board of Directors of the Authority and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

Section 7. The Series 2018-1 Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Series 2018-1 Bonds by executing the Trustee's Certificate of Authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Purchaser, in accordance with written instructions executed on behalf of the Authority by any Authorized Signatory, which instructions said Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Series 2018-1 Bonds to the Purchaser in accordance with the Bond Purchase Agreement, upon payment of the purchase price thereof.

Section 8. Each Authorized Signatory and other appropriate officers and agents of the Authority is each hereby authorized and directed to take any and all actions necessary or

appropriate, not inconsistent with the terms of this Resolution and of the Indenture to effect the execution, authentication and delivery of the Bonds to the Purchaser, including, without limitation: giving the written order of the Authority for the authentication and delivery of the Bonds by the Trustee, furnishing of appropriate certificates, closing documents and other documents contemplated by this Resolution, the Master Indenture, Supplemental Indenture No. 11 or the Bond Purchase Agreement. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the documents and certificates contemplated by this Resolution.

Section 9. All approvals, assignments, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, or any redemption, purchase or defeasance of the Series 2018-1 Bonds, may be given or taken by any Authorized Signatory, without further authorization by the Board of Directors of the Authority, and each Authorized Signatory is hereby authorized and directed to give any such approval, consent, direction, notice, order or request and to take any such action which such Authorized Signatory, with the advice of bond counsel and legal counsel to the Authority, may deem necessary or desirable to further the purposes of this Resolution.

Section 10. All actions of the officers, directors, employees and agents of the Authority in conformity with the purpose and intent of this Resolution and in furtherance of the issuance and sale of the Series 2018-1 Bonds, as contemplated by this Resolution and the documents referred to herein, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved.

Section 11. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 1<sup>st</sup> day of March, 2018.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

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

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary

**CERTIFICATE**

I, Helen Schaubmayer, Assistant Secretary of the California Enterprise Development Authority hereby certify the foregoing to be a full, true and correct copy of Resolution No. 18-14 of the Board of Directors of the California Enterprise Development Authority duly adopted at its meeting of March 1, 2018.

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary

## Attachment I

### PUBLIC DISCLOSURES RELATING TO PROPERTY ASSESSED CLEAN ENERGY BONDS

Pursuant to California Government Code Section 5852.1, Figtree PACE Bond Holdings, LLC, a Delaware limited liability company and the purchaser of the Bonds (the “Purchaser”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as issuer, prior to the Authority’s regular meeting on March 8, 2018 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of property assessed clean energy bonds in the aggregate principal amount not to exceed \$2,000,000 (the “Obligations”).

1. The Purchaser provided the Authority with the required good faith estimates relating to the Obligations as follows:
  - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 6.5989%.
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$27,057.81.
  - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$584,959.00.
  - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$1,314,888.71.
2. The good faith estimates provided above were presented to the governing board of the property owner obligated to the repayment of the bonds, or presented to the official or officials or committee designated by the governing board of the property owner to obligate the property owner in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the property owner having authority to obligate the Borrower in connection with the Obligations.

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

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

the Authority.



## Staff Report

Action Requested	Approve Resolution No. 18-15 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2018-2, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.	
Project Description	The series of the bonds are in an amount not to exceed \$500,000. The proceeds of such bonds will be used to make property-assessed energy efficiency improvements to parcels within the PACE District.  The project:	
	<b>Property Owner and Address</b>	<b>Description of Improvements being financed</b>
	Piazza Apartments 9971 West Juniper Avenue Fontana, CA 92335	Solar PV and new roof to reduce utility spend.
Public Benefits	<p>The Program seeks to provide multiple benefits to those property owners who are desirous of the following:</p> <ul style="list-style-type: none"> <li>• Saving money by reducing their utility bill</li> <li>• Improving their residence or business</li> <li>• Promoting energy conservation</li> <li>• Stimulating the local economy</li> </ul> <p>The Program provides a local stimulus to the economy through local energy conservation-related job creation.</p> <p>Added benefits include:</p> <ul style="list-style-type: none"> <li>• Sales tax revenues from energy and water efficiency improvement installations</li> <li>• Fee revenues from permits issued for the Construction Work</li> <li>• Cleaner communities</li> </ul> <p>For property owners, the benefits include:</p> <ul style="list-style-type: none"> <li>• A no-money-down means of financing energy and water efficiency improvements</li> <li>• Fixed-rate assessment financing repaid and amortized up to 20 years</li> <li>• Financing without requiring a property appraisal</li> </ul> <p>Reduced utility costs through energy efficiency improvements</p>	

<p>Eligibility and Policy Review</p>	<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> <li>• Pursuant to California Government Code Section 5852.1, the Purchaser has provided certain required information to CEDA as set forth on Attachment I of Resolution No. 18-15.</li> </ul>
<p>Recommendation</p>	<p>Staff recommends approval of Resolution No. 18-15 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2018-2, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.</p>

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION NO. 18-15**

**RESOLUTION AUTHORIZING THE ISSUANCE OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (PACE-M1) LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES 2018-2, AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE AND BOND PURCHASE AGREEMENT, AND AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER RELATED DOCUMENTS AND ACTIONS NECESSARY TO THE DELIVERY OF SUCH BONDS**

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

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

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

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

**WHEREAS**, pursuant to Resolution 12-31 adopted on September 6, 2012, the Authority created its Water Efficiency and Property Assessed Clean Energy (PACE) and Job Creation Program (the “Program”); and

**WHEREAS**, pursuant to the Program, certain Member Jurisdictions (the “Participating Member Jurisdictions”) have formed contractual Energy and Water Efficiency Property Assessed Clean Energy (PACE) Assessment Districts (the “Assessment Districts”) within their boundaries and have executed or shall execute certain Participation Agreements with the Authority (the “Participation Agreements”); and

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

**WHEREAS**, the Authority desires at this time to provide for the funding of the Program by the authorization of the issuance of not to exceed \$500,000 California Enterprise Development Authority Commercial Property Assessed Clean Energy (PACE-M1) Limited Obligation Improvement Bonds, Series 2018-2 (the “2018-2 Bonds”) pursuant to that certain Master Indenture of Trust (the “Master Indenture”), by and between the Authority and Deutsche Bank National Trust Company, or another trustee designated by the Authority from time to time (the “Trustee”), and that certain Supplemental Indenture of Trust No. 12 (the “Supplemental Indenture No. 12” and, together with the Master Indenture, the “Indenture”) by and between the Authority and the Trustee, each on file with the Secretary of the Authority; and

**WHEREAS**, the Series 2018-2 Bonds shall be issued pursuant to Section 5898, et seq. of the California Streets and Highways Code and the Assessment District Act of 1915 (codified at California Streets and Highways Code Section 8500 et seq.); and

**WHEREAS**, the Series 2018-2 Bonds are secured by the assessments and each installment thereof (the “Assessment Installments”), including interest and penalties thereon, and the Assessment Liens shall constitute a lien against the Property on which they are recorded, until the same shall be paid; and

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

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

**WHEREAS**, the Series 2018-1 Bonds will be sold pursuant to the Bond Purchase Agreement to Figtree PACE Bond Holdings, LLC, a Delaware limited liability company, or its affiliate or assignee, as purchaser (the “Purchaser”); and

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

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

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

Section 2. The Authority hereby authorizes the issuance of the Series 2018-2 Bonds in the principal amount not to exceed \$500,000 and the sale of the Series 2018-2 Bonds to the Purchaser pursuant to the terms of the Bond Purchase Agreement. The Series 2018-2 Bonds

and the interest thereon shall be special, limited obligations of the Authority, and payment of the principal of, redemption premium, if any, and interest on, the Series 2018-2 Bonds shall be made solely from payment of assessment liens made by the property owners pursuant to their assessment contracts and certain moneys held under the Indenture, and the Series 2018-2 Bonds shall not be deemed to constitute a general obligation of the Authority or of any member of the Authority or an obligation or commitment by the Authority to expend any of its funds other than from certain funds received from the payment of assessment liens by property owners.

Section 3. The Chair or the Vice Chair of the Board of Directors of the Authority (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver Supplemental Indenture No. 12 and the Bond Purchase Agreement each in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of the Authority’s counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Authority hereby authorizes the issuance of the Series 2018-2 Bonds upon the terms as provided in the Master Indenture and Supplemental Indenture No. 12 in a principal amount of up to \$500,000. The Series 2018-2 Bonds shall mature not more than 25 years from the date of issuance thereof. The Series 2018-2 Bonds shall be payable as to interest on March 2 and September 2 commencing the first such date following the issuance thereof, with optional and mandatory redemption provisions of principal thereof as set forth in Supplemental Indenture No. 12.

Section 5. The interest rate on the Series 2018-2 Bonds shall not exceed 8.00% per annum. The costs of issuance and other Program expenses to be funded from the net available proceeds of the Series 2018-2 Bonds shall be in such amounts as provided in Supplemental Indenture No. 12 and a requisition signed by an Authorized Signatory.

Section 6. The Series 2018-2 Bonds shall be executed by the manual or facsimile signature of the Chair or the Vice Chair of the Board of Directors of the Authority and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

Section 7. The Series 2018-2 Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Series 2018-2 Bonds by executing the Trustee's Certificate of Authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Purchaser, in accordance with written instructions executed on behalf of the Authority by any Authorized Signatory, which instructions said Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Series 2018-2 Bonds to the Purchaser in accordance with the Bond Purchase Agreement, upon payment of the purchase price thereof.

Section 8. Each Authorized Signatory and other appropriate officers and agents of the Authority is each hereby authorized and directed to take any and all actions necessary or

appropriate, not inconsistent with the terms of this Resolution and of the Indenture to effect the execution, authentication and delivery of the Bonds to the Purchaser, including, without limitation: giving the written order of the Authority for the authentication and delivery of the Bonds by the Trustee, furnishing of appropriate certificates, closing documents and other documents contemplated by this Resolution, the Master Indenture, Supplemental Indenture No. 12 or the Bond Purchase Agreement. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the documents and certificates contemplated by this Resolution.

Section 9. All approvals, assignments, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, or any redemption, purchase or defeasance of the Series 2018-2 Bonds, may be given or taken by any Authorized Signatory, without further authorization by the Board of Directors of the Authority, and each Authorized Signatory is hereby authorized and directed to give any such approval, consent, direction, notice, order or request and to take any such action which such Authorized Signatory, with the advice of bond counsel and legal counsel to the Authority, may deem necessary or desirable to further the purposes of this Resolution.

Section 10. All actions of the officers, directors, employees and agents of the Authority in conformity with the purpose and intent of this Resolution and in furtherance of the issuance and sale of the Series 2018-2 Bonds, as contemplated by this Resolution and the documents referred to herein, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved.

Section 11. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 1<sup>st</sup> day of March, 2018.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

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

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary

**CERTIFICATE**

I, Helen Schaubmayer, Assistant Secretary of the California Enterprise Development Authority hereby certify the foregoing to be a full, true and correct copy of Resolution No. 18-15 of the Board of Directors of the California Enterprise Development Authority duly adopted at its meeting of March 1, 2018.

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary



## Attachment I

### PUBLIC DISCLOSURES RELATING TO PROPERTY ASSESSED CLEAN ENERGY BONDS

Pursuant to California Government Code Section 5852.1, Figtree PACE Bond Holdings, LLC, a Delaware limited liability company and the purchaser of the Bonds (the “Purchaser”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as issuer, prior to the Authority’s regular meeting on March 8, 2018 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of property assessed clean energy bonds in the aggregate principal amount not to exceed \$500,000 (the “Obligations”).

1. The Purchaser provided the Authority with the required good faith estimates relating to the Obligations as follows:
  - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 6.5989%.
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$19,284.31.
  - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$402,063.00.
  - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$905,244.79.
2. The good faith estimates provided above were presented to the governing board of the property owner obligated to the repayment of the bonds, or presented to the official or officials or committee designated by the governing board of the property owner to obligate the property owner in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the property owner having authority to obligate the Borrower in connection with the Obligations.

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

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

the Authority.