

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, November 21, 2019

Teleconference Phone Information

(712) 775-7031 - Conference Code: 183724#

Call to Order and Roll Call Statement of Disclosure

Action Items

1. Consent Agenda
 - a. Approve Minutes from the Regular Meeting on October 31, 2019.
2. Approve Resolution 19-73 of the California Enterprise Development Authority Authorizing the Issuance of the California Enterprise Development Authority Residential Property Assessed Clean Energy (PACE-M2) Limited Obligation Improvement Bonds, Series 2019-1, Authorizing The Execution and Delivery of a Master Indenture, Supplemental Indenture No. 1 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 Michelle Stephens)
2150 River Plaza Dr., Suite 275
Sacramento, CA 95833

City of Santa Clarita
(contact Jason Crawford or
Stephanie Givans)
23920 Valencia Blvd., Suite 100
Santa Clarita, CA 91355

County of Stanislaus
(contact Keith Boggs or Sheryl Swartz)
1010 10th Street
GSA Purchasing – 5th Floor
GSA Director's Office
Modesto, CA 95354

Redding City Hall
(contact Larry Vaupel or Erica Thomas)
777 Cypress Ave.
Redding, CA 96001

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

City of West Sacramento
(contact Aaron Laurel or
Sandra Barcenas)
1110 West Capitol Avenue, 3rd Floor
West Sacramento, CA 95691

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

City of Anaheim
(contact Jessica Gonzales or
Amanda Wicker)
201 S. Anaheim Blvd., Ste. 1003
Anaheim, CA 92805

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

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
Regular Meeting
*****TELECONFERENCE MEETING *****
CEDA BOARD OF DIRECTORS
Thursday, October 31, 2019

Teleconference Locations

California Association for Local
Economic Development
(contact Helen Schaubmayer)
2150 River Plaza Dr. Suite 275
Sacramento, CA 95833

Redding City Hall
(contact Larry Vaupel or Erica
Thomas)
777 Cypress Ave.
Redding, CA 96001

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

City of Santa Clarita
(contact Jason Crawford or
Stephanie Givens)
23920 Valencia Blvd., Suite 100
Santa Clarita, CA 91355

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

City of Anaheim
(contact Jessica Gonzales or
Amanda Wicker)
201 S. Anaheim Blvd., Ste. 1003
Anaheim, CA 92805

County of Stanislaus
(contact Keith Boggs or Sheryl
Swartz)
1010 10th Street
GSA Purchasing – 5th Floor
GSA Director's Office
Modesto, CA 95354

City of West Sacramento
(contact Aaron Laurel or
Polly Harris)
1110 West Capitol Avenue, 3rd Floor
West Sacramento, CA 95691

Call to Order

Aaron Laurel, Acting Chair of the California Enterprise Development Authority, called the meeting to order at 10:31 am.

Roll Call

Members Present: Keith Boggs
Jessica Gonzales
Mather Kearney
Aaron Laurel

CALED Management/
Staff Present: Michelle Stephens

Public: Peter Grabell, Dividend Finance
David Mnatsakanyan, Kutak Rock

Statement of Disclosure

None

Action Items

1. Approve Consent Agenda.
 - a. Approve Minutes from the Regular Meeting on October 17, 2019.

Motion: Board Member Keith Boggs made the motion to approve the Consent Agenda.
Board Member Jessica Gonzales seconded the motion on the floor.

The motion passed by voice vote.

2. Approve Resolution 19-71 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 Acquiring, Developing, Constructing, Installing, Equipping and Furnishing Certain Facilities for the Benefit of Impact Justice Lakeshore LLC and Impact Justice, and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle gave the Board a staff report.

Motion: *Board Member Jessica Gonzales made the motion to approve Resolution No. 19-71. Board Member Keith Boggs seconded the motion on the floor.*

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jessica Gonzales	Aye
Mather Kearney	Aye
Aaron Laurel	Aye

3. Approve Resolution 19-72 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 Acquisition, Construction, Improvement and Equipping of School Facilities for the Benefit of Bowman International School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle gave the Board a staff report.

Motion: *Board Member Jessica Gonzales made the motion to approve Resolution No. 19-72. Board Member Mather Kearney seconded the motion on the floor.*

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jessica Gonzales	Aye
Mather Kearney	Aye
Aaron Laurel	Aye

Public Comment

Chair Report

Michelle had no report.

PACE Report

Peter from Dividend Finance let the Board know that the R-PACE bond was moving forward and was about 3-5 weeks out. He also said that there are some C-PACE applications moving forward.

Other Business

Adjournment

Motion: *Keith Boggs made the motion to adjourn the meeting. Jessica Gonzales seconded the motion on the floor. Acting Chair Aaron Laurel adjourned the meeting at 10:40 am by voice vote.*

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION NO. 19-73

RESOLUTION AUTHORIZING THE ISSUANCE OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY (PACE-M2) LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES 2019-1, AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER INDENTURE, SUPPLEMENTAL INDENTURE NO. 1 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 10-03 adopted on January 25, 2010, the Authority created its Water Efficiency and Property Assessed Clean Energy (PACE) and Job Creation Program (the “Program”), which was subsequently amended to include both commercial and residential properties; 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, pursuant to Resolution 16-78 adopted on July 14, 2016, the Authority entered into a Master Assignment Agreement in order to effectuate assignment of assessment contracts entered into with Property Owners in order to finance energy improvements to such Property prior to the issuance of bonds with respect thereto (the “Assessment Contracts”); and

WHEREAS, the Assessment Contracts are currently outstanding in the aggregate principal amount of \$[_____].

WHEREAS, the Authority desires at this time to refinance the Assessment Contracts with the authorization of the issuance of not to exceed \$4,000,000 California Enterprise Development Authority Residential Property Assessed Clean Energy (PACE-M2) Limited Obligation Improvement Bonds, Series 2019-1 (the “2019-1 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. 1 (the “Supplemental Indenture No. 1” 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 2019-1 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 2019-1 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 2019-1 Bonds will be sold pursuant to the Bond Purchase Agreement to Figtree PACE Bond Holdings, LLC, a Delaware limited liability company, 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 2019-1 Bonds in the principal amount not to exceed \$4,000,000 and the sale of the Series 2019-1 Bonds to the Purchaser pursuant to the terms of the Bond Purchase Agreement. The Series 2019-1 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 2019-1 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 2019-1 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 the Master Indenture, Supplemental Indenture No. 1 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 2019-1 Bonds upon the terms as provided in the Master Indenture and Supplemental Indenture No. 1 in a principal amount of up to \$4,000,000. The Series 2019-1 Bonds shall mature not more than 20 years from the date of issuance thereof. The Series 2019-1 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. 1.

Section 5. The interest rate on the Series 2019-1 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 2019-1 Bonds shall be in such amounts as provided in Supplemental Indenture No. 1 and a requisition signed by an Authorized Signatory.

Section 6. The Series 2019-1 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 2019-1 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 2019-1 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 2019-1 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. 1 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 2019-1 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 2019-1 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 21st day of November, 2019.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

By _____
Michelle Stephens, Assistant Secretary

CERTIFICATE

I, Michelle Stephens, Assistant Secretary of the California Enterprise Development Authority hereby certify the foregoing to be a full, true and correct copy of Resolution No. 19-73 of the Board of Directors of the California Enterprise Development Authority duly adopted at its meeting of November 21, 2019.

By _____

Michelle Stephens, 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 November 21, 2019 (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 \$4,000,000 (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): 4.7319%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$76,172.72.
 - 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: \$3,819,287.28.
 - 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): \$5,826,675.19.
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 19-73 of the California Enterprise Development Authority Authorizing the Issuance of the California Enterprise Development Authority Residential Property Assessed Clean Energy (PACE-M2) Limited Obligation Improvement Bonds, Series 2019-1, Authorizing The Execution and Delivery of a Master Indenture, Supplemental Indenture No. 1 and Bond Purchase Agreement, and Authorizing The Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.
Staff Discussion	The item before the Board is the bonding of all active Residential-PACE assessment contracts used to fund residential solar installations across California. The R-PACE assessments were originated between December 2016 and March 2018 “by assignment” and must be bonded prior to the end of the assignment period of three years. We are bonding 140 contracts with a total remaining principal of \$3,895,459.
Recommendation	Staff recommends approval of Resolution 19-73 of the California Enterprise Development Authority Authorizing the Issuance of the California Enterprise Development Authority Residential Property Assessed Clean Energy (PACE-M2) Limited Obligation Improvement Bonds, Series 2019-1, Authorizing The Execution and Delivery of a Master Indenture, Supplemental Indenture No. 1 and Bond Purchase Agreement, and Authorizing The Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.