

# **ATTACHMENTS**

For The April 16, 2014  
Independent Cities Finance Authority  
Regular Board Of Directors Meeting/  
Regular Executive Committee Meeting

INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS ANNUAL MEETING  
OCTOBER 17, 2013

MINUTES

I. CALL TO ORDER.

The regular meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order in the City of Vernon on October 17, 2013 at 11:45 a.m. by President Mike McCormick.

II. ROLL CALL.

Members Of The Executive Committee/Board of Directors Present (Voting)

W. Michael McCormick, President	Vernon
Stephen Ajobiewe	Compton
Sylvia Ballin	San Fernando
Gil Hurtado	South Gate
Jim Morton	Lynwood
Ricardo Pacheco	Baldwin Park

Alternate Members Of The Board of Directors Present

Rafaela King	San Fernando
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The City of Huntington Park was not represented by a voting member.

Guests Present

April Davila	Tripepi Smith & Associates
Chrissy Gienapp	Augusta Communities
Fred Olsen	Ballard Spahr
Paul Philips	Contract Cities Association
Rebecca Taylor	Augusta Communities
George Turk	Millennium Housing
Janees Williams	Newcomb Williams Financial Group
Wes Wolf	Wolf & Company, Inc.

Staff Present

Scott Campbell	Best Best & Krieger LLP
Debbie Smith	Smith, Alvarez & Castillo/ICFA

**III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.**

There were no amendments or adjustments to the agenda.

**IV. PUBLIC COMMENTS.**

There were no members of the public who wished to speak.

**V. NEW BUSINESS.**

**A. APPROVAL OF MINUTES OF THE AUGUST 14, 2013 BOARD OF DIRECTORS MEETING.**

It was moved by Jim Morton, seconded by Gil Hurtado, and unanimously carried to approve the minutes of the August 14, 2013 Board of Directors meeting.

**B. APPROVAL/ADOPTION OF RESOLUTION NO. 2013-7 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE AUTHORITY TO CONSENT TO THE TRANSFER OF THE MARINELAND MOBILEHOME PARK LOCATED IN THE CITY OF HERMOSA BEACH, CA AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH).**

Staff reported generally as follows:

In 2004, the Authority issued bonds to finance the acquisition by Millennium Housing of a mobile home park in Hermosa Beach known as the Marineland Mobilehome Park. When the 2004 bonds were issued, the Authority and Millennium Housing entered into a Regulatory Agreement that was recorded on the Project.

Millennium Housing has determined to sell the project to a new nonprofit entity called Marineland Community Association, Inc. The 2004 bonds will be prepaid in connection with the sale of the Project, but the Regulatory Agreement will remain recorded on the Project until at least July of 2019. The new owner will be required to assume the Regulatory Agreement obligations for the remainder of its term.

It was proposed that the Authority adopt a resolution authorizing the Authority to consent to the transfer of the Project to Marineland Community Association, Inc. The resolution would also authorize the Authority to enter into an Assumption Agreement with the new owner relating to the Regulatory Agreement. Wolf & Company, Inc. would continue to provide oversight services for the Authority under an agreement with the new owner.

President McCormick asked if there were any questions or comments. There were none.

It was moved by Gil Hurtado, seconded by Jim Morton, and unanimously carried as follows:

1. To adopt Resolution No. 2013-7 approving the transfer of Marineland Mobilehome Park and the various agreements and documents relating thereto; and
2. To authorize President McCormick and staff to execute any and all necessary documents relating thereto.

**C. APPROVAL/ADOPTION OF A RESIDUAL RECEIPTS PROMISSORY NOTE AND RESIDUAL RECEIPTS LOAN AGREEMENT BETWEEN THE INDEPENDENT CITIES FINANCE AUTHORITY AND AUGUSTA COMMUNITIES.**

Staff reported generally as follows:

At the August 14, 2013 Board of Directors meeting, the Board approved a \$90,000 unsecured nonrecourse loan to Augusta Communities LLC to enable it to acquire and install new mobile homes or manufactured homes and related improvements and expenses on vacant spaces.

This item requires that the Board clarify on the record that its prior budgetary decision to set aside \$100,000 for loans to nonprofit organizations was intended to include limited liability companies where the sole member is a nonprofit 501 (c)(3) tax-exempt organization. The sole member of Augusta Communities LLC is Augusta Homes, a nonprofit public benefit corporation.



In response to a question, General Legal Counsel indicated that they are comfortable with the terms of the agreement in providing a loan to Augusta Communities LLC.

President McCormick asked if there were any questions or comments. There were none.

It was moved by Gil Hurtado, seconded by Jim Morton, and unanimously carried as follows:

1. Approve/adopt the Residual Receipts Promissory Note and Residual Receipts Loan Agreement between ICFA and Augusta Communities; and
2. Authorize President McCormick and staff to execute any and all necessary documents relating thereto.

**D. APPROVAL/ADOPTION OF A WAIVER AGREEMENT WITH UNION BANK RELATIVE TO LAMPLIGHTER SALINAS MOBILE HOME PARK.**

Staff reported generally as follows:

In 2010, the Authority issued bonds to finance the acquisition by Millennium Housing of a mobile home park in Salinas known as the Lamplighter Salinas Mobile Home Park. It has been requested that the scheduled Authority Note Payments from the Revenue Fund associated with Lamplighter Series 2010A-D be paid on an annual basis rather than on a monthly basis beginning in July 2014. The waiver executes this change on behalf of the Authority and Union Bank, as the Trustee.

Both parties acknowledge that this minor change in the Trust Agreement in no way alters or impacts the obligations to the bondholders for the above related transactions. President McCormick asked if there were any questions or comments. There were none.

It was moved by Gil Hurtado, seconded by Jim Morton, and unanimously carried as follows:

1. Approve/adopt the Waiver Agreement with Union Bank; and
2. Authorize President McCormick and staff to execute any and all necessary documents relating thereto.

**E. APPROVAL OF A \$5,000 SPONSORSHIP FEE TO THE ASSOCIATION OF CALIFORNIA CITIES-ORANGE COUNTY.**

Staff reported generally as follows:

After meeting with staff of the Association of California Cities-Orange County (ACCOC) and submitting a partnership proposal which included offering three basis points on any financings that ACCOC would bring to the Authority, President McCormick, staff and consultants made a presentation to the ACCOC Board of Directors. In preliminary discussions, ACCOC suggested a \$5,000 up-front sponsorship fee which would be utilized to help launch ICFA programs to their members.

President McCormick asked if there were any questions or comments. There were none.

It was moved by Jim Morton, seconded by Gil Hurtado, and unanimously carried to provide a \$5,000 up-front sponsorship fee to the Association of California Cities-Orange County should the ACCOC Board decide to form a partnership with ICFA.

**F. APPROVAL/ADOPTION OF AUDIT REPORT FOR YEAR ENDED JUNE 30, 2012.**

Staff noted that Robert Eichel & Associates conducted the audit in accordance with auditing standards generally accepted in the United States of America. In their opinion, the basic financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2012 and the results of its operations and its cash flows for the year then ended.

President McCormick asked if there were any questions or comments. There were none.

It was moved by Gil Hurtado, seconded by Jim Morton, and unanimously carried to approve/adopt the audit report for year ended June 30, 2012.

**G. APPROVAL OF FINANCIAL ACCOUNTING FROM JULY 1, 2013 TO OCTOBER 1, 2013.**

It was moved by Jim Morton, seconded by Gill Hurtado, and unanimously carried to approve the financial accounting for the period July 1, 2013 to October 1, 2013.

**H. STATUS UPDATE - EMINENT DOMAIN LAWSUIT (CITY OF RICHMOND).**

General Legal Counsel provided an update on the eminent domain lawsuit against the City of Richmond to block plans by city officials to seize and buy mortgages using their powers of eminent domain.

**I. UPDATE ON PENDING PROJECTS/ACTIVITIES.**

Staff provided an update on the following:

- Downey Regional Medical Center Hospital redemption of bonds
- San Bernardino County Housing Authority
- Street Lighting Webinar
- Amendment to the ICFA Joint Powers Agreement

**VI. COMMENTS FROM BOARD MEMBERS.**

Jim Morton thanked the ICFA Board and staff for conducting informative and interesting meetings.

**VII. COMMENTS FROM STAFF.**

There were no comments from staff.

**VIII. ADJOURNMENT.**

There being no further business to be discussed, the meeting was adjourned at 12:20 p.m.

Respectfully submitted,

/s/

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Deborah J. Smith  
Program Administrator



RESOLUTION NO. 2014-1

A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF ITS NOT TO EXCEED \$32,750,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (PILLAR RIDGE) SERIES 2014, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the Independent Cities Finance Authority, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), is authorized to issue bonds pursuant to Chapter 8 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") to finance the acquisition of mobile home parks by nonprofit organizations within the jurisdiction of the Authority; and

WHEREAS, the Authority previously issued its Mobile Home Park Revenue Bonds (El Granada Mobilehome Park) Series 2004A, its Mobile Home Park Subordinate Revenue Bonds (El Granada Mobilehome Park) Series 2004B and its Mobile Home Park Subordinate Revenue Bonds (El Granada Mobilehome Park) Taxable Series 2004C (collectively, the "Prior Bonds") and loaned the proceeds of the Prior Bonds (the "Prior Loan") to COACH of San Diego, Inc., a California nonprofit public benefit corporation (the "Prior Borrower"), in order to provide financing with respect to the acquisition and improvement of the Pillar Ridge Manufactured Home Community (the "Project") located in the County of San Mateo at approximately 164 Culebra Ln., Moss Beach, California 94038; and

WHEREAS, in connection with the refinancing of the Project as described herein, the Project will be transferred to Coach of San Diego, LLC, a California limited liability company, or an affiliate thereof (the "Borrower"); and

WHEREAS, the Borrower has requested that the Authority issue and sell one or more series of its revenue refunding bonds for the purpose of refunding the Prior Bonds and financing certain improvements to the Project; and

WHEREAS, COACH of San Diego, Inc., the sole member of the Borrower, is qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and the operation of the Project by the Borrower will further its purpose to encourage, preserve, rehabilitate, develop, operate, and maintain decent, safe, sanitary and affordable housing for low income and disadvantaged persons in the State of California; and

WHEREAS, the operation of the Project by the Borrower will lessen the governmental burden of the County of San Mateo by preserving affordable housing within such county; and

WHEREAS, pursuant to the Act, the Authority proposes to issue its Mobile Home Park Revenue Refunding Bonds (Pillar Ridge) Series 2014A (the "Series A Bonds") and its Mobile Home Park Subordinate Revenue Refunding Bonds (Pillar Ridge) Series 2014B (the "Series B Bonds" and together with the Series A Bonds, the "Bonds") in an aggregate amount not to exceed \$32,750,000 and to loan the proceeds of such Bonds to the Borrower in order to refund the Prior Bonds, to finance certain improvements to the Project and to pay certain costs incurred in connection with the issuance of the Bonds; and



WHEREAS, there has been presented to the Board of Directors/Executive Committee at this meeting proposed forms of an Indenture of Trust, a Loan Agreement, a Regulatory Agreement and Declaration of Restrictive Covenants, an Administration and Oversight Agreement, a Preliminary Official Statement and a Purchase Contract among the Authority, the Borrower and Newcomb Williams Financial Group securities offered through Stinson Securities, LLC (the "Underwriter") pursuant to which the Bonds will be purchased by the Underwriter for sale to the public; and

WHEREAS, as required by Section 147(f) of the Code, the Board of Supervisors of the County of San Mateo conducted a duly noticed public hearing with respect to the proposed issuance of the Bonds and financing of the Project by the Authority on March 11, 2014, such notice being published in a newspaper of general circulation in the County of San Mateo, and as the applicable elected representatives of the County of San Mateo, the Board of Supervisors approved the issuance of the Bonds; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Bonds exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Bonds for the purposes, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AS FOLLOWS:

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

SECTION 2. Appointment of Trustee. Union Bank, N.A. is hereby appointed as the initial trustee (the "Trustee") under the Indenture of Trust (the "Indenture") relating to the Bonds, with the duties and powers of such Trustee as are set forth in the Indenture.

SECTION 3. Indenture. The Indenture authorizing the issuance of the Bonds, between the Authority and the Trustee, in the form presented at this meeting, is hereby approved and the President, Vice President or Program Administrator (each, an "Authorized Officer"), each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially the form hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 4. Form of Bonds. The forms of the Bonds, each as set forth in the Indenture, are hereby approved and the President or Vice President and the Secretary are hereby authorized and directed to execute by manual or facsimile signature, for and in the name and on behalf of the Authority, the Bonds in substantially the forms hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority, in either temporary and/or definitive forms in the aggregate principal amounts and all in accordance with the terms and provisions of the Indenture.

SECTION 5. Loan Agreement. The Loan Agreement (the "Loan Agreement") by and among the Authority, the Trustee and the Borrower, whereby the proceeds of the Bonds are to be loaned to the



Borrower for the purposes set forth therein, in the form presented at this meeting, is hereby approved and the Authorized Officers, each acting alone, are 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 hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 6. Regulatory Agreement. The Regulatory Agreement and Declaration of Restrictive Covenants by and among the Authority, the Trustee and the Borrower (the “Regulatory Agreement”) in the form presented at this meeting, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement with respect to the Project in substantially the form hereby approved together with such additions or changes therein as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 7. Official Statement. The Preliminary Official Statement (the “Preliminary Official Statement”) in the form presented at this meeting, is hereby approved for use in connection with the marketing of the Bonds. The Program Administrator is hereby authorized and directed to make changes to the form of the Preliminary Official Statement hereby approved, upon consultation with the Authority counsel or bond counsel, as necessary or desirable to reflect the terms of the financing and the documents with respect thereto.

The Preliminary Official Statement may be brought into the form of a final Official Statement which shall contain such changes or modifications thereto as may be deemed necessary or desirable by the Program Administrator, upon consultation with the Authority counsel or bond counsel. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the final Official Statement. The Authorized Officers, each acting alone, are authorized and directed, on behalf of the Authority, to certify the Preliminary Official Statement as “deemed final” for purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”), and to certify the Official Statement as “final” pursuant to Rule 15c2-12.

SECTION 8. Purchase Contract. The Purchase Contract among the Authority, the Borrower and the Underwriter, in the form presented at this meeting, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized to execute the Purchase Contract in substantially said form, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract by the Authority; provided that the principal amount, the net interest cost, the maturity date and the Underwriter’s discount for each series of Bonds do not exceed the following: Series A Bonds: (i) Maximum Principal Amount: \$31,000,000; (ii) Net Interest Cost: 5.50%; (iii) Maturity Date: June 15, 2049; and (iv) Underwriter’s Discount or Fee: 1.5%; Series B Bonds: (i) Maximum Principal Amount: \$1,750,000; (ii) Net Interest Cost: 5.95%; (iii) Maturity Date: June 15, 2049; and (iv) Underwriter’s Discount or Fee: 1.5%.

SECTION 9. Administration and Oversight Agreement. The Administration and Oversight Agreement (the “Administration Agreement”) in the form presented at this meeting, by and among the Authority, the Borrower, and Wolf & Company, Inc. (or such other entity as the Program Administrator shall select) as Oversight Agent, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute the



Administration Agreement in substantially the form hereby approved, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 10. Designation of Professionals. The law firm of Ballard Spahr LLP is hereby designated as bond counsel and disclosure counsel to the Authority with respect to the Bonds. Newcomb Williams Financial Group securities offered through Stinson Securities, LLC is hereby designated as underwriter for the Bonds.

SECTION 11. Ratification of Prior Acts. All actions previously taken (not inconsistent with the provisions of this resolution) by the Authority and by the officers of the Authority directed toward the issuance and sale of the Bonds are hereby ratified and approved.

SECTION 12. Other Acts. The President, Vice President, members of the Board of Directors/Executive Committee, Program Administrator, Secretary, Treasurer, Authority counsel, and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including without limitation, obtaining bond insurance and a rating for the Bonds, if either is deemed to be advisable upon consultation with the Authority's financial consultant, if any, and the Underwriter, and including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the transactions as described herein in connection with the issuance and sale of the Bonds or to otherwise effectuate the purposes of this Resolution.

SECTION 13. Limited Obligations. The Bonds, together with interest thereon, shall be limited obligations of the Authority, giving rise to no pecuniary liability of the Authority, any member of the Authority, the State of California or any political subdivision thereof, nor any charge against its general credit, and shall be payable solely from the Indenture trust estate. The Bonds shall not constitute an indebtedness or loan of the credit of the Authority, any member of the Authority or the State of California or any political subdivision thereof within the meaning of any constitutional or statutory provisions.

SECTION 14. Severability. If any provisions of this Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

SECTION 15. Effective Date. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE INDEPENDENT CITIES FINANCE  
AUTHORITY THIS 16TH DAY OF APRIL, 2014.

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President

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Secretary/Program Administrator



I, Deborah Smith, Secretary and Program Administrator of the Independent Cities Finance Authority, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors/Executive Committee of said Authority at the meeting of the Board of Directors/Executive Committee of said Authority held on the 16th day of April, 2014, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Deborah Smith, Secretary and Program Administrator of  
the Independent Cities Finance Authority

**ASSEMBLY BILL**

**No. 2046**

**SECTION 16.** Introduced by Assembly Member Gomez

February 20, 2014

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An act to amend Section 6588 of the Government Code, relating to joint exercise of powers, and declaring the urgency thereof, to take effect immediately.

**legislative counsel's digest**

AB 2046, as amended, Gomez. Joint exercise of powers: financing. The Joint Exercise of Powers Act authorizes the legislative or other governing bodies of 2 or more public agencies to jointly exercise by agreement any power common to the contracting parties, as specified, and authorizes a joint powers authority to exercise various powers, including, among others, the power to issue bonds, including bonds bearing interest, to pay the cost of any public capital improvement, working capital, or liability or other insurance program, as specified.

This bill would authorize a joint powers authority to ~~execute and deliver, issue~~ or cause to be ~~executed and delivered, certificates of participation in a lease or installment sale~~ *issued bonds and enter into a loan* agreement for the financing or refinancing of a project that is situated in another state, including working capital related to that project, if the project and its financing meets certain conditions.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6588 of the Government Code is amended  
2 to read:

3 6588. In addition to other powers specified in an agreement  
4 pursuant to Article 1 (commencing with Section 6500) and Article  
5 2 (commencing with Section 6540), the authority may do any or  
6 all of the following:

7 (a) Adopt bylaws for the regulation of its affairs and the conduct  
8 of its business.

9 (b) Sue and be sued in its own name.

10 (c) (1) Issue bonds, including, at the option of the authority,  
11 bonds bearing interest, to pay the cost of any public capital  
12 improvement, working capital, or liability or other insurance  
13 program.

14 (2) (A) In addition to paragraph (1), for any purpose for which  
15 an authority may execute and deliver or cause to be executed and  
16 delivered certificates of participation in a lease or installment sale  
17 agreement with any public or private entity, the authority, at its  
18 option, may issue or cause to be issued bonds, rather than  
19 certificates of participation, and enter into a loan agreement with  
20 the public or private entity.

21 (B) Notwithstanding Sections 6586 and 6586.5 or any other  
22 law, ~~and in addition to any other purpose for which the~~ *an* authority  
23 ~~may issue bonds, an authority may execute and deliver, or cause~~  
24 ~~to be executed and delivered, certificates of participation in a lease~~  
25 ~~or installment sale agreement pursuant to this paragraph~~ *issue or*  
26 *cause to be issued bonds and enter into a loan agreement, pursuant*  
27 *to subparagraph (A), for the financing or refinancing of a project*  
28 *that is situated in another state, including working capital related*  
29 *to that project, if all of the following apply:*

30 (i) The project is owned, developed, or operated by a private  
31 entity.

32 (ii) ~~The execution and delivery of the certificates of participation~~  
33 *issuance of bonds* by the authority and the financing of the project  
34 is approved by resolution, order, or other official action of the city,  
35 county, or other public body with land use planning authority over  
36 the project, or of the state in which the project is situated. This  
37 ~~subparagraph clause~~ does not apply to the issuance of refunding



1 bonds if a prior financing or refinancing of the project was  
2 approved by the city, county, public body, or state.

3 (iii) The authority finds, based on the facts and circumstances  
4 attendant to the project or the financing or refinancing of the  
5 project, that the ~~execution and delivery of the certificates of~~  
6 ~~participation~~ *issuance of the bonds* or the financing or refinancing  
7 of the project will result in a substantial public benefit to, and are  
8 for a public purpose of, the citizens of this state.

9 (d) Engage the services of private consultants to render  
10 professional and technical assistance and advice in carrying out  
11 the purposes of this article.

12 (e) As provided by applicable law, employ and compensate  
13 bond counsel, financial consultants, and other advisers determined  
14 necessary by the authority in connection with the issuance and sale  
15 of any bonds.

16 (f) Contract for engineering, architectural, accounting, or other  
17 services determined necessary by the authority for the successful  
18 development of a public capital improvement.

19 (g) Pay the reasonable costs of consulting engineers, architects,  
20 accountants, and construction, land-use, recreation, and  
21 environmental experts employed by any sponsor or participant if  
22 the authority determines those services are necessary for the  
23 successful development of public capital improvements.

24 (h) Take title to, sell by installment sale or otherwise, or lease  
25 lands, structures, real or personal property, rights, rights-of-way,  
26 franchises, easements, and other interests in lands that are located  
27 within the state that the authority determines are necessary or  
28 convenient for the financing of public capital improvements, or  
29 any portion thereof.

30 (i) Receive and accept from any source, loans, contributions,  
31 or grants, in either money, property, labor, or other things of value,  
32 for, or in aid of, the construction financing, or refinancing of public  
33 capital improvement, or any portion thereof or for the financing  
34 of working capital or insurance programs, or for the payment of  
35 the principal of and interest on bonds if the proceeds of those bonds  
36 are used for one or more of the purposes specified in this section.

37 (j) Make secured or unsecured loans to any local agency in  
38 connection with the financing of capital improvement projects,  
39 working capital or insurance programs in accordance with an  
40 agreement between the authority and the local agency. However,



1 no loan shall exceed the total cost of the public capital  
2 improvements, working capital or insurance needs of the local  
3 agency as determined by the local agency and by the authority.

4 (k) Make secured or unsecured loans to any local agency in  
5 accordance with an agreement between the authority and the local  
6 agency to refinance indebtedness incurred by the local agency in  
7 connection with public capital improvements undertaken and  
8 completed.

9 (l) Mortgage all or any portion of its interest in public capital  
10 improvements and the property on which any project is located,  
11 whether owned or thereafter acquired, including the granting of a  
12 security interest in any property, tangible or intangible.

13 (m) Assign or pledge all or any portion of its interests in  
14 mortgages, deeds of trust, indentures of mortgage or trust, or  
15 similar instruments, notes, and security interests in property,  
16 tangible or intangible, of a local agency to which the authority has  
17 made loans, and the revenues therefrom, including payment or  
18 income from any interest owned or held by the authority, for the  
19 benefit of the holders of bonds issued to finance public capital  
20 improvements. The pledge of moneys, revenues, accounts, contract  
21 rights, or rights to payment of any kind made by or to the authority  
22 pursuant to the authority granted in this part shall be valid and  
23 binding from the time the pledge is made for the benefit of the  
24 pledgees and successors thereto, against all parties irrespective of  
25 whether the parties have notice of the claim.

26 (n) Lease the public capital improvements being financed to a  
27 local agency, upon terms and conditions that the authority deems  
28 proper; charge and collect rents therefor; terminate any lease upon  
29 the failure of the lessee to comply with any of the obligations of  
30 the lease; include in any lease provisions that the lessee shall have  
31 options to renew the lease for a period or periods, and at rents as  
32 determined by the authority; purchase or sell by an installment  
33 agreement or otherwise any or all of the public capital  
34 improvements; or, upon payment of all the indebtedness incurred  
35 by the authority for the financing or refinancing of the public  
36 capital improvements, the authority may convey any or all of the  
37 project to the lessee or lessees.

38 (o) Charge and apportion to local agencies that benefit from its  
39 services the administrative costs and expenses incurred in the  
40 exercise of the powers authorized by this article. These fees shall

1 be set at a rate sufficient to recover, but not exceed, the authority's  
2 costs of issuance and administration. The fee charged to each local  
3 obligation acquired by the pool shall not exceed that obligation's  
4 proportionate share of those costs. The level of these fees shall be  
5 disclosed to the California Debt and Investment Advisory  
6 Commission pursuant to Section 6599.1.

7 (p) Issue, obtain, or aid in obtaining, from any department or  
8 agency of the United States or of the state, or any private company,  
9 any insurance or guarantee to, or for, the payment or repayment  
10 of interest or principal, or both, or any part thereof, on any loan,  
11 lease, or obligation or any instrument evidencing or securing the  
12 same, made or entered into pursuant to this article.

13 (q) Notwithstanding any other provision of this article, enter  
14 into any agreement, contract, or any other instrument with respect  
15 to any insurance or guarantee; accept payment in the manner and  
16 form as provided therein in the event of default by a local agency;  
17 and assign any insurance or guarantee that acts as security for the  
18 authority's bonds.

19 (r) Enter into any agreement or contract, execute any instrument,  
20 and perform any act or thing necessary, convenient, or desirable  
21 to carry out any power authorized by this article.

22 (s) Invest any moneys held in reserve or sinking funds, or any  
23 moneys not required for immediate use or disbursement, in  
24 obligations that are authorized by law for the investment of trust  
25 funds.

26 (t) At the request of affected local agencies, combine and pledge  
27 revenues to public capital improvements for repayment of one or  
28 more series of bonds issued pursuant to this article.

29 (u) Delegate to any of its individual parties or other responsible  
30 individuals the power to act on its behalf subject to its general  
31 direction, guidelines, and oversight.

32 (v) Purchase, with the proceeds of its bonds or its revenue, bonds  
33 issued by any local agency at public or negotiated sale. Bonds  
34 purchased pursuant to this subdivision may be held by the authority  
35 or sold to public or private purchasers at public or negotiated sale,  
36 in whole or in part, separately or together with other bonds issued  
37 by the authority.

38 (w) Purchase, with the proceeds of its bonds or its revenue, VLF  
39 receivables sold to the authority pursuant to Section 6588.5. VLF  
40 receivables so purchased may be pledged to the payment of bonds



1 issued by the authority or may be resold to public or private  
2 purchasers at public or negotiated sale, in whole or in part,  
3 separately or together with other VLF receivables purchased by  
4 the authority.

5 (x) (1) Purchase, with the proceeds of its bonds or its revenue,  
6 Proposition 1A receivables pursuant to Section 6588.6. Proposition  
7 1A receivables so purchased may be pledged to the payment of  
8 bonds issued by the authority or may be resold to public or private  
9 purchasers at public or negotiated sales, in whole or in part,  
10 separately or together with other Proposition 1A receivables  
11 purchased by the authority.

12 (2) (A) All entities subject to a reduction of ad valorem property  
13 tax revenues required under Section 100.06 of the Revenue and  
14 Taxation Code pursuant to the suspension set forth in Section  
15 100.05 of the Revenue and Taxation Code shall be afforded the  
16 opportunity to sell their Proposition 1A receivables to the authority.

17 (B) If these entities offer Proposition 1A receivables to the  
18 authority for purchase and duly authorize the sale of the Proposition  
19 1A receivable pursuant to documentation approved by the  
20 authority, the authority shall purchase all Proposition 1A  
21 receivables so offered to the extent it can sell bonds therefor. If  
22 the authority does not purchase all Proposition 1A receivables  
23 offered, it shall purchase a pro rata share of each entity's offered  
24 Proposition 1A receivables.

25 (C) The authority may establish a deadline, no earlier than  
26 November 3, 2009, by which these entities shall offer their  
27 Proposition 1A receivables for sale to the authority and complete  
28 the application required by the authority.

29 (3) For purposes of meeting costs incurred in performing its  
30 duties relative to the purchase and sale of Proposition 1A  
31 receivables, the authority shall be authorized to charge a fee to  
32 each entity from which it purchases a Proposition 1A receivable.  
33 The fee shall be computed based on the percentage value of the  
34 Proposition 1A receivable purchased from each entity, in relation  
35 to the value of all Proposition 1A receivables purchased by the  
36 authority. The amount of the fee shall be paid from the proceeds  
37 of the bonds and shall be included in the principal amount of the  
38 bonds.

39 (4) Terms and conditions of any and all fees and expenses  
40 charged by the authority, or those it contracts with, and the terms

1 and conditions of sales of Proposition 1A receivables and bonds  
2 issued pursuant to this subdivision, including the terms of optional  
3 early redemption provisions, if any, shall be approved by the  
4 Treasurer and the Director of Finance, who shall not unreasonably  
5 withhold their approval. The aggregate principal amount of all  
6 bonds issued pursuant to this subdivision shall not exceed two  
7 billion two hundred fifty million dollars (\$2,250,000,000), and the  
8 rate of interest paid on those bonds shall not exceed 8 percent per  
9 annum. The authority shall exercise its best efforts to obtain the  
10 lowest cost financing possible. Any and all premium obtained shall  
11 be used for either of the following:

12 (A) Applied to pay the costs of issuance of the bonds.

13 (B) Deposited in a trust account that is pledged to bondholders  
14 and used solely for the payment of interest on, or for repayment  
15 of, the bonds.

16 (5) (A) In connection with any financing backed by Proposition  
17 1A receivables, the Treasurer may retain financial advisors, legal  
18 counsel, and other consultants to assist in performing the duties  
19 required by this chapter and related to that financing.

20 (B) Notwithstanding any other law, none of the following shall  
21 apply to any agreements entered into by the Treasurer pursuant to  
22 subparagraph (A) in connection with any Proposition 1A financing:

23 (i) Section 11040 of the Government Code.

24 (ii) Section 10295 of the Public Contract Code.

25 (iii) Article 3 (commencing with Section 10300) and Article 4  
26 (commencing with Section 10335) of, Chapter 2 of Part 2 of  
27 Division 2 of the Public Contract Code, except for the authority  
28 of the Department of Finance under Section 10336 of the Public  
29 Contract Code to direct a state agency to transmit to it a contract  
30 for review, and except for Section 10348.5 of the Public Contract  
31 Code.

32 (C) Any costs incurred by the Treasurer in connection with any  
33 Proposition 1A financing shall be reimbursed out of the proceeds  
34 of the financing.

35 (y) Set any other terms and conditions on any purchase or sale  
36 pursuant to this section as it deems by resolution to be necessary,  
37 appropriate, and in the public interest, in furtherance of the  
38 purposes of this article.

39 SEC. 2. This act is an urgency statute necessary for the  
40 immediate preservation of the public peace, health, or safety within



1 the meaning of Article IV of the Constitution and shall go into  
2 immediate effect. The facts constituting the necessity are:

3 In order to timely provide essential bonding authority for the  
4 funding of multi-state, public-private projects that are necessary  
5 to ensure California's national and international competitiveness  
6 and public benefits in this state, it is necessary that this act take  
7 effect immediately.

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