



Agenda

Tuesday, January 26, 2016

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board
2. **APPROVAL OF MINUTES**
Approval of the minutes from the January 12, 2016 regular meeting.
3. **NEW BUSINESS ACTION ITEM**
A. Consideration of approving resolution 16-01C approving the Authorized Signatories for California Public Finance Authority.
4. **DISCUSSION ITEM**
Discuss proposed CDLAC regulation changes.
5. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.
6. **STAFF UPDATES**
7. **ADJOURNMENT**
Adjourn as the California Public Finance Authority.



CALIFORNIA
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AUTHORITY

2. APPROVAL OF MINUTES

Approval of the minutes from the January 12, 2016 regular meeting.



Action Summary

Tuesday, January 12, 2016

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. B 1

CALL TO ORDER

ROLL CALL – Clerk to the Board

MEMBERS PRESENT: NEVES, VERBOON, PEDERSEN, FAGUNDES

MEMBERS ABSENT: VALLE

2. B 2

REORGANIZATION

The offices of the Chairman and Vice-Chairman of the California Public Finance Authority are declared vacant and a call for nominations is made.

ACTION: APPOINTED DOUG VERBOON AS CHAIRMAN AND CRAIG PEDERSEN AS VICE CHAIRMAN FOR 2016 (RF/JN/CP/DV-AYE, RV-ABSENT)

3. B 3

APPROVAL OF MINUTES

Approval of the minutes from the December 15, 2015 regular meeting.

ACTION: APPROVED AS PRESENTED (RF/CP/JN/DV-AYE, RV-ABSENT)

4.

DISCUSSION ITEM

Discuss proposed CDLAC regulation changes.

INFORMATION ONLY - NOA

5.

PUBLIC COMMENT

Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.

None

6.

STAFF UPDATES

None

7.

ADJOURNMENT

The meeting was adjourned at 11:16 a.m.



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3. NEW BUSINESS ACTION ITEM

Consideration of approving resolution 16-01C approving the Authorized Signatories for California Public Finance Authority.

RESOLUTION NO. 16-01C

**A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY
AUTHORIZING, AMONG OTHER MATTERS, DESIGNEES THEREOF TO
EXECUTE AND DELIVER ON BEHALF OF THE BOARD OF DIRECTORS OR
THE AUTHORITY DOCUMENTS REQUIRING SIGNATURE BY A DIRECTOR
OF THE BOARD OF DIRECTORS OR OFFICER OF THE AUTHORITY AND
AUTHORIZED BY AUTHORITY RESOLUTION**

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”), Kings County and the Housing Authority of Kings County entered into a joint exercise of powers agreement dated as of May 12, 2015 (the “Agreement”) pursuant to which the California Public Finance Authority (the “Authority”) was organized; and

WHEREAS, pursuant to the Agreement, the Authority is administered by a Board of Directors (the “Board of Directors”) of the California Public Finance Authority, a joint powers agency created pursuant to a Joint Exercise of Powers Agreement dated as of May 12, 2015 (the “CalPFA Agreement”); and

WHEREAS, pursuant to the Agreement, the Board of Directors has the power, by resolution, to the extent permitted by the Act and any other applicable law, to delegate any of its functions to one or more of the Directors, its officers or its agents and to cause such designees to take any actions and execute any documents or instruments for and in the name and on behalf of the Board of Directors; and

WHEREAS, given the anticipated number of issues of bonds per year by the Authority and the related documentation, the Board of Directors desires to delegate to certain agents the function of declaring the Authority’s official intent to reimburse and execution and delivery on behalf of the Authority of any documents, certificates or instruments requiring signature by any Director, including any Director acting as an officer of the Board of Directors, that are authorized for execution and delivery by adoption of a resolution of the Authority (each an “Authority Resolution”); and

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

Section 1. The Authority hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Authority hereby appoints Larry Spikes, Karen Azevedo and Rebecca Campbell, and such other persons as may from time to time be appointed pursuant to a resolution of the Authority, as delegatee of the Directors with certain administrative duties as further specified in Sections 3 and 4 below. Larry Spikes, Karen Azevedo and Rebecca Campbell are each referred to herein as an “Authorized Signatory.”

Section 3. To the extent permitted by the Act or any other applicable law, the Board of Directors hereby delegates to each Authorized Signatory, on behalf of a Director, the power

to declare the official intent of the Authority to reimburse expenditures pursuant to section 1.150-2 of the Treasury Regulations and administrative authority to execute and deliver, any documents, certificates or instruments requiring signature by any Director, including any Director acting as an officer of the Board of Directors, that are authorized for execution and delivery by Authority Resolution, including, but not limited to, the execution and delivery of any bonds, notes or other evidences of indebtedness issued and/or delivered by the Authority.

Section 4. Any all amendments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents executed in connection with bonds issued by the Authority, which may be necessary or desirable in connection with (i) any amendment of such documents requested by the provider of the credit enhancement for the bonds, which does not adversely affect the holders thereof, or by all of the then-existing holders, but which in either case does not adversely affect the Authority or its Members; (ii) any transfer or other disposition of the applicable project that complies with the conditions set forth in the documents authorized in connection with the approval of such project; (iii) any addition or substitution of security for bonds which has no adverse affect on the holders thereof, especially if a mandatory tender is required; or (iv) any redemption of the bonds in accordance with their terms, may be given or taken by any Director of this Board of Directors without further authorization by this Board of Directors, and such Director is hereby authorized and directed to execute such amendment or give any such consent, approval, notice, order or request and to take any such action that such Director may deem necessary to further the purposes of this resolution and the continued financing of the applicable project.

To the extent permitted by the Act or any other applicable law, the Board of Directors hereby delegates to each Authorized Signatory, on behalf of a Director, including a Director acting as an officer of the Authority, the administrative authority to execute and deliver, any amendments, waivers, consents, approvals, notices, orders, requests, entered into or given in accordance with the documents that are authorized for execution and delivery by Authority Resolution, as provided to such Authorized Signatory by staff to the Authority upon the advice of counsel to the Authority.

Section 5. All actions heretofore taken by any Director, Authorized Signatory and other appropriate officers and agents of the Authority with respect to the matters herein contained are hereby ratified, confirmed and approved.

Section 6. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Public Finance Authority this January 26, 2016.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on January 26, 2016.

By _____
Authorized Signatory
California Public Finance Authority



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4. DISCUSSION ITEM

Discuss proposed CDLAC regulation changes.



January 15, 2016

Ms. Jeree Glasser-Hedrick
CDLAC Executive Director
915 Capitol Mall, Room 311
Sacramento, CA 95814

RE: Public Comment Related to Proposed Revisions to JPA Definition

Dear Jeree,

This correspondence responds to CDLAC's proposed policy change on behalf of the California Public Finance Authority ("CalPFA") regarding the revision of the JPA definition. It is clear the proposed change in definition relates to the recent establishment of CalPFA so, in addition, we would like to take this opportunity to clarify certain aspects of CalPFA for the benefit of CDLAC and other interested parties.

CDLAC cites the following three concerns:

1. JPAs that finance projects outside of their members' boundaries "may violate the Joint Exercise of Powers Act" yet it is clear that the JPA Act requires projects only to be located within a member's boundaries if the project is a "public capital improvement" as defined in the JPA Act, and if none of the exceptions in the JPA Act apply. These exceptions are regularly used by some JPAs (e.g. Southern California Public Power Authority) to finance projects far outside of the boundaries of any member, including outside of the State of California in some cases.

CalPFA was planning to finance low-income multifamily housing projects, which are much needed throughout the state and which are not "public capital improvements," and the financing of which is specifically authorized in the JPA Act without any requirements that projects be located within members' boundaries. Therefore, it would not violate the JPA Act. We understand that both the State Attorney General's office and counsel to the State Treasurer's office have considered the legal memo commissioned by CalPFA on this matter and have not concluded otherwise to our knowledge.

2. Another concern expressed by CDLAC is that "this practice may create a competitive disadvantage." It is worth recognizing that every JPA would be able to establish a similar type JPA structure, so how are any of them subject to a competitive disadvantage? To the contrary, since the other major financing JPAs have hundreds of members, and state conduit authorities can finance the same types of projects with no members, the action proposed by CDLAC will result in a competitive disadvantage, but to CalPFA, and only because it is new and has not had decades to accumulate members. The result is to protect the other JPAs from competition by CalPFA which would reduce costs, increase capacity, and be good for the citizens of California. Is this CDLAC's intent?

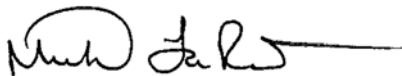
3. The third concern expressed by CDLAC is that “this practice may result in the marginalization of valid, local opposition to projects and may cause disputes between JPAs and non-member communities.” Due to the federal TEFRA requirements and its state law status as a political subdivision, CalPFA’s legal counsel has advised that CalPFA itself is required to hold a public hearing and give TEFRA approval in addition to the public hearing and approval given by the elected body in whose political jurisdiction the project resides. The CalPFA TEFRA hearing proceedings are facilitated by the Kings County Board of Supervisors. In essence, CalPFA is required to hold two public hearings and facilitate two TEFRA approvals for each transaction as opposed to other financing JPAs or state conduit authorities, for which a single public hearing and TEFRA approval is required.

In addition, any project in which state allocation from CDLAC is necessary would require a TEFRA hearing after a public notice of at least 14 days in advance, with no difference whether the project is located within a member’s boundaries or not. Local opposition will be given exactly the same opportunity if CalPFA is seeking to finance a project outside of its member’s boundaries as opposed to some other JPA seeking to finance a project inside a member’s boundaries. Absolutely no difference. Nor can there be a dispute between the JPA and its non-member community because the CalPFA will not receive TEFRA approval from the non-member community which can be withheld with or without reason.

It is also worth noting that state conduit authorities who are awarded hundreds of millions in state volume cap from CDLAC each year are not required to accumulate members, as previously noted, and conduct a single TEFRA hearing proceeding only within Sacramento regardless of the project location(s) throughout the state. An argument could be made that this practice could lead to the marginalization of valid, local opposition.

For the reasons described above, CalPFA respectfully requests that CDLAC reconsider its proposed change to the JPA definition to allow CalPFA to finance multifamily housing projects outside of its member’s boundaries and maintain a vibrant competitive conduit issuer marketplace for the betterment of California.

Respectfully,



Michael LaPierre
Program Administrator
California Public Finance Authority