



**CONDUIT  
FINANCING:  
TRANSPARENCY  
AND  
ACCOUNTABILITY**  
The Summary Report  
from the  
Informational  
Hearing

February 6, 2008  
State Capitol  
Sacramento, California

MEMBERS  
DAVE COX  
VICE CHAIR  
TOM HARMAN  
CHRISTINE KEHOE  
MICHAEL J. MACHADO

California Legislature  
**Senate Committee**  
on  
**Local Government**  
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# **Conduit Financing: Transparency and Accountability**

## **The Summary Report from the Informational Hearing**

**February 6, 2008  
State Capitol  
Sacramento, California**



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## CONDUIT FINANCING: TRANSPARENCY AND ACCOUNTABILITY

On Wednesday morning, February 6, 2008, the Senate Local Government Committee held an informational hearing in the State Capitol to explore issues raised by a Senate Office of Research study comparing authorities that issue tax-exempt conduit bonds. Four state Senators heard representatives from the Senate Office of Research, the State Treasurer's Office, the State Controller's Office, joint powers authorities (JPAs) that issue conduit bonds, and labor unions discuss issues related to conduit financing in California. Those attending were:

Senator Gloria Negrete McLeod, Chair  
Senator Dave Cox, Vice-Chair  
Senator Christine Kehoe  
Senator Michael J. Machado

The hearing began at 10:30 a.m. and continued until 12:05 p.m. About 40 people attended the Committee's hearing.

This summary report contains the Committee's staff explanation of what happened at the hearing [see the *white* pages], reprints the Committee's briefing paper [see the *blue* pages], and reproduces the witnesses' written materials [see the *yellow* pages].

### COMMITTEE STAFF FINDINGS

Any attempt to distill one and a half hours of detailed presentations and policy discussions into a few findings must necessarily gloss over important details and subtle nuances. But after carefully considering the witnesses' statements and reviewing their written materials, the Committee's staff identified these key findings:

- Compliance with financial reporting requirements needs to be enforced uniformly.
- Stakeholders disagree about whether additional reporting requirements are necessary to enhance the transparency of conduit issuers' fiscal activities.
- The State Treasurer, State Controller, and Secretary of State need to improve their collection and sharing of information relating to JPAs.
- The State Controller's staff announced an impending change in reporting requirements to increase JPAs' fiscal transparency.
- State statutes governing the amount of fees that JPAs can charge, how fees are collected, and how they are allocated need to be clarified.
- Stakeholders disagree over the need to establish a clearer, uniform, statewide standard for determining "public benefit" for conduit financing.

- Stakeholders discussed the need to ensure that local elected officials have greater representation of some of the JPAs' governing boards.
- JPAs' contracts that provide private consultants or bond counsels with fees from approved projects raise concerns about possible conflicts of interest.
- Stakeholders disagree about which approach to public hearings offers optimal transparency and opportunity for public involvement.
- Some related conduit financing topics fall within the jurisdiction of other policy committees (e.g., CEQA compliance issues and the pass-through of savings from health facility bonds).

### THE WITNESSES

Nine people spoke to the Committee about conduit financing. The witnesses provided the written materials that appear in the *yellow* pages.

The first speaker presented the Senate Office of Research study comparing conduit financing authorities:

Erin Riches, Senate Office of Research

The hearing's second segment offered responses from state agencies:

Tricia Wynne, Deputy Treasurer\*  
State Treasurer's Office

Nancy Valle, Assistant Chief, Division of Accounting & Reporting\*  
State Controller's Office.

The next panel provided testimony from representative of Joint Powers Authorities that provide conduit financing:

Dwight Stenbakken, Deputy Executive Director\*  
League of California Cities, on behalf of the California Statewide Communities Development Authority

Paula Connors, Executive Director\*  
California Enterprise Development Authority

Lee McCormick, Financial Advisor\*  
California Municipal Finance Authority

Clarke Howatt, Public Finance Director  
ABAG Finance Authority for Nonprofit Corporations

Finally, two individuals spoke during the public comment period:

Richard Thomason, Policy Director  
SEIU-UHW

Stephanie Roberson  
California Nurses Association

[\* = Written material appears in the *yellow* pages.]

### LEGISLATORS' CONCERNS

**Senator Negrete McLeod** opened the hearing by noting that exactly one year ago, she had introduced SB 188, a bill sponsored by the California Statewide Communities Development Authority (CSCDA). She noted that, as the author of that legislation, she was made aware of questions and concerns about how conduit bond issuers:

- Structure the application process for conduit bond funding;
- Review bond proposals;
- Charge administrative fees and spend fee revenues; and,
- Provide transparency and opportunities for public involvement.

**Senator Cox** asked about whether a bond counsel acting as an employee or agent of a JPA faces a conflict of interest in certifying a bond issuance.

**Senator Cox** expressed his concern that a financing proposal submitted by Sutter Health in 2006 to the California Health Facilities Financing Authority (CHFFA) by Sutter Health in 2006 had been subject to unfair treatment. He asked multiple witnesses whether they agreed that conduit bond issuers' ought to subject similar financing projects to similar treatment throughout their review processes. **Senator Cox** also expressed a desire to see more uniform standards apply to the issuance of conduit financing.

**Senator Kehoe** asked the representative from the State Controller's Office, **Nancy Valle**, about what JPA-related information the Controller and the Secretary of State currently collect. She also questioned whether it would be helpful for these state officers to have access to a wider range of information that JPAs report to various state agencies.

**Senator Machado** asked **Dwight Stenbakken**, representing CSCDA, about the Authority's policies regarding public meeting notices. **Senator Machado** asked about the Authority's completion of financial audits required by the Joint Exercise of Powers Act and posed a series of questions relating to the transparency and use of fee revenues from conduit financings.

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## MEMORANDUM

January 30, 2008

To: Senate Local Government Committee Members and Other Interested Parties  
From: Brian Weinberger  
Re: Informational Hearing on Conduit Financing

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The attached document from the Senate Office of Research (SOR) summarizes the results of research that SOR conducted at the request of Senator Gloria Negrete McLeod.

This research, comparing state and local authorities that issue tax exempt bonds, provides the background for an informational hearing the Committee will hold on February 6, 2008 to examine the issue of "Conduit Financing: Transparency and Accountability."

Based on four key policy issues that emerged from SOR's research, the Committee members may want to ask these questions at the February 6 hearing:

**More conduit bond issuers and increasing competition.** An increase in the number of Joint Powers Authority (JPA) tax-exempt bond issuers in recent years has made the conduit financing market "substantially more competitive." Chart 1 in the SOR report suggests that the volume of bonds issued by some JPA conduit financing authorities has grown significantly faster than the volume of bonds issued by state authorities. The Committee may wish to consider:

*Does increased competition in the conduit bond issuance market affect the "public benefit" that is promoted by extending tax-exempt financing to private entities?*

*What factors are responsible for the relatively strong growth in the volume of conduit bonds issued by JPAs when compared to state authorities?*

*In what ways does the JPAs' growing share of conduit financing offer advantages or disadvantages for local borrowers and the public benefit projects they finance?*

**Administrative fees.** JPAs that issue tax exempt bonds can charge local borrowers for administrative costs and expenses at a rate that does not exceed the JPA's costs of issuance and administration (Government Code §6588[o]). Appendix C of the SOR report shows notable



## Informational Hearing on Conduit Financing

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variations in the fee structures of various conduit financing authorities. The report also questions how some JPAs spend their fee revenues. The Committee may wish to consider:

*Why do different conduit financing authorities charge different fees?*

*How do different conduit financing authorities spend fee revenues? Should fee revenues be spent on charitable activities? Marketing efforts? Programs to benefit local businesses?*

*Does the statutory requirement that fees be disclosed to the California Debt and Investment Advisory Commission provide sufficient transparency to ensure that fees comply with state law?*

**Financial reporting requirements.** State bond-issuing authorities must comply with different annual financial reporting requirements than those that apply to conduit-financing JPAs. Certain conduit financing authorities are exempt from some annual financial reporting requirements that apply to other JPAs. The Committee may wish to consider:

*Are financial reporting requirements uniformly enforced for all bond issuing authorities?*

*Do current JPA reporting requirements provide sufficient transparency for understanding the activities of bond-issuing authorities?*

*Should financial reporting requirements for state and JPA conduit bond issuers be more standardized?*

**Public meeting requirements.** State bond-issuing authorities are subject to the Bagley-Keene Open Meeting Act, which is more stringent than the Ralph M. Brown Act, which applies to JPAs' meetings. The Committee may wish to consider:

*Do the Brown Act's provisions, which allow JPAs to convene special meetings with as little as 24-hours of advance public notice, provide sufficient transparency and opportunity for public involvement in the conduit financing decisions made by JPAs?*

*Should the Internet posting requirements that apply to state conduit bond authorities also apply to JPAs that issue conduit bonds?*

*Do public hearings required under the federal Tax Equity and Fiscal Responsibility Act (TEFRA) provide sufficient transparency and opportunity for public participation in conduit bond issuance?*

*Do differences between the public meeting requirements that apply to state authorities and JPAs give some conduit bond issuers a competitive advantage in providing conduit financing services?*





## SENATE OFFICE OF RESEARCH

Agnes Lee, Director

January 8, 2008

### **MEMORANDUM**

TO: Senator Gloria Negrete McLeod  
Attn: Peter Detwiler

FROM: Erin Riches

SUBJECT: Comparison of Public Agencies That Issue Tax-Exempt Bonds

You asked the Senate Office of Research to investigate and compare state and non-state authorities that issue tax-exempt bonds. This memo provides a brief introduction to the world of bond-issuing authorities and then includes some policy questions based on the statutory requirements, policies, and procedures of the following seven authorities:

- California Educational Facilities Authority (CEFA)
- California Health Facilities Financing Authority (CHFFA)
- California Pollution Control Financing Authority (CPCFA)
- California Municipal Finance Authority (CMFA)
- California Enterprise Development Authority (CEDA)
- California Statewide Communities Development Authority (CSCDA)
- Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)

Several appendices (attached) provide more detailed information on these seven authorities.

### **Introduction**

A joint powers agreement, authority, or agency (JPA) is created when two or more public agencies jointly establish a formal agreement, project, or entity for a specific purpose or activity. No public vote is required in order to form a JPA

and, although several state agencies collect data from and relating to JPAs, these entities are not directly overseen by any state agency. JPAs are commonly formed to jointly implement a program, deliver a service, or build a facility; by combining resources, public officials can save taxpayer dollars.

According to the California Debt and Investment Advisory Commission (CDIAC), more than half of all JPAs formed in California since 1985 issue bonds to finance public improvements.<sup>1</sup> Local agencies can form a JPA to sell a large bond, then loan the money to local agencies. This practice, known as pooling, enables local agencies to achieve lower interest rates and finance charges than if they were to sell the bonds individually. JPAs also often act as conduits to provide tax-exempt financing for projects that provide public benefit but are funded by private entities (see “Conduit Financing 101” below).

Several state agencies with the longest history of issuing tax-exempt bonds, such as CEFA, CPCFA, and CHFFA, are overseen by the State Treasurer’s Office (STO). With more and more JPAs issuing bonds in recent years, the market has become substantially more competitive.

#### Conduit Financing 101

To qualify for tax-exempt financing, an agency must be able to show a public benefit.<sup>2</sup> Public improvements include projects such as solid waste facilities, multifamily housing, hospitals, and pollution control facilities, among others. JPAs and state authorities are authorized to issue numerous types of bonds to finance public improvements (please see Appendix A).

JPAs and STO authorities commonly act as “conduits” for issuing tax-exempt debt. For example, a JPA will borrow as a tax-exempt issuer then pass through the funding and liability to a private borrower. The private entity is legally obligated to make the debt payments on the bonds, while the issuer retains ultimate control and responsibility for the financing plan. The issuer puts together a debt financing team that includes bond counsel, a disclosure counsel, and a financial advisor and/or underwriter. The bond counsel certifies that the bonds are valid and binding obligations of the issuer and that interest on the bonds is exempt from federal and state income taxes. The role of bond counsel has become increasingly important in recent years, due to frequent

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<sup>1</sup> Senate Committee on Local Government, *Governments Working Together: A Citizen’s Guide to Joint Powers Agreements* (August 2007).

<sup>2</sup> Government Code, Section 6586.5 states that an authority cannot authorize issuance of bonds unless certain requirements are met, including approval of the bond issuance and a finding of significant public benefit at a public hearing of the local agency in the city or county where the project is located.

changes in tax laws. While the law does not generally require bonds to be rated, issuers often find it difficult to sell unrated bonds. (Ratings are provided by credit rating agencies, which analyze the probability of the full amount of principal being returned to the investor.) Some conduit issuers, such as CEFA and CHFFA, have policies requiring a certain minimum rating in order to issue bonds.<sup>3</sup>

### How Much Money Is Involved?

Despite the fact that the non-STO authorities were established much more recently than the STO authorities, they are issuing millions—even billions—of dollars in conduit bonds each year (please see Chart 1). In this year alone:

- CSCDA (established 1988) has issued more than \$4.2 billion;
- ABAG (established 1990) has issued nearly \$700 million;
- CMFA (established 2004) has issued over \$500 million;
- CEDA (established 2006) has issued slightly more than \$80 million.

In comparison, STO authorities have issued the following amounts of conduit bonds in 2007:

- CPCFA (established 1973) has issued roughly \$275 million;
- CEFA (also established 1973) has issued over \$770 million;
- CHFFA (established 1979) has issued nearly \$1 billion.<sup>4</sup>

### **Where Is the Money Going?**

In general, tax-exempt bonds are spent on project costs; STO authorities also authorize borrowers to spend bond funds on costs of bond issuance and refinancing or refunding of prior debt. The bond-issuing authorities spend fee revenues on administration costs, with a few exceptions:

- CEFA's Academic Assistance Program helps private colleges and universities expand programs to provide access to higher education for low-income and very low-income students in grades 7-12. In addition, CEFA's Student Loan Program helps students finance higher education costs.
- CPCFA's Capital Access Loan Program (CalCAP) provides additional risk coverage for loans that are made by lenders to businesses in severely

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<sup>3</sup> California Debt and Investment Advisory Commission, *California Debt Issuance Primer*, Chapter 1.

<sup>4</sup> Per CDIAC; reflects debt issuance reported to CDIAC as of November 7, 2007.

affected communities. CalCAP allows CPCFA to contribute up to 150 percent of the combined premium payments by the lender and borrower for each loan made in these communities. A severely affected community is any state Enterprise Zone, as well as any other comparable economically distressed geographic area, as designated by CPCFA.

- CMFA directs 25 percent of issuance fees to the California Foundation for Stronger Communities to support local charities.

### **How Are Environmental Requirements Enforced?**

Most tax-exempt financings require major environmental issues to be addressed, primarily compliance with the California Environmental Quality Act (CEQA) and other environmental laws that govern public projects. A public agency may trigger CEQA, simply by approving a permit for activities by private entities. Financing for a project generally constitutes an approval under CEQA.<sup>5</sup> Current statute has generated some confusion as to when in the bond issuance process a state versus non-state authority must establish proof of CEQA compliance. One question that arises is whether the requirement should be clarified and/or made uniform for all bond-issuing authorities.

### **Are the Savings Pass-Through and Public Benefit Requirements Working?**

State law encourages CHFFA to approve projects that will pass through the savings from tax-exempt bonds to the customers of the health facilities funded by the bonds.<sup>6</sup> Pursuant to this legislative intent, the CHFFA application specifically asks the applicant how it intends to pass on the savings. The other STO authorities do not include this requirement in their applications, nor do the non-state authorities. One question that arises is whether the pass-through requirement puts CHFFA at a competitive disadvantage.

As noted above, an agency must be able to show a public benefit in order to qualify for tax-exempt financing. One question that arises is whether, and to what extent, the public benefit requirement is being enforced. Another question that arises is whether bond-issuing authorities are tracking projects after the bonds are issued.

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<sup>5</sup> California Debt and Investment Advisory Commission, *California Debt Issuance Primer*, Chapter 5.

<sup>6</sup> Government Code, Section 15438.5 states legislative intent that "all or part of any savings experienced by a participating health institution, as a result of that tax-exempt revenue bond funding, be passed on to the consuming public through lower charges or containment of the rate of increase in hospital rates." This language was included in the original enabling legislation, the Health Facilities Authority Act, Chapter 1033, Statutes of 1979.

### **Are All Bond Issuing Authorities Equally Transparent?**

All bond-issuing authorities are under some form of state reporting requirement. STO authorities are all required, by statute and regulation, to submit annual reports to the Legislature, the governor, the insurance commissioner, and/or the treasurer. In terms of state regulation, JPAs generally fall under the requirements for special districts. State law requires JPAs to undergo an annual independent audit, the minimum requirements of which shall be those prescribed by the controller for special districts.<sup>7</sup> State law also requires a report of any audit to be filed as public record each year with each of the members of the JPA, the county auditor for the county in which the home office of the JPA is located, and sent to any public agency or person in the state that requests it.<sup>8</sup> One question that arises is whether reporting requirements are being enforced for all bond-issuing authorities. Another question that arises is whether the JPA reporting requirements are appropriate for bond-issuing authorities.

All bond-issuing authorities are also subject to public meeting requirements. As local public entities, JPAs are subject to Brown Act requirements for providing public notice of their meetings. Specifically, the Brown Act requires that local public agencies post a notice at least 72 hours prior to a meeting.<sup>9</sup> The Bagley-Keene Act, which governs state agencies, requires 10 days' notice, as well as requiring that notice be posted on the Internet.<sup>10</sup> One question that arises is whether all bond-issuing authorities should be required to post notices on the Internet.

### **Is There Overlap Between Bond-Issuing State Entities?**

Multiple state agencies issue tax-exempt bonds (please see Table 1). In some cases, such as projects financed with industrial development bonds, more than one agency must approve the project before bonds can be issued. One question that arises is whether some services should be consolidated so that projects do not have to go through multiple agencies.

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<sup>7</sup> Government Code, Sections 6505(b) and 26909.

<sup>8</sup> Government Code, Section 53895.

<sup>9</sup> Government Code, Section 54954.2.

<sup>10</sup> Government Code, Section 11125(a).

**Table 1: A Sampling of State Bond-Issuing Authorities<sup>11</sup>**

<b>Agency</b>	<b>Established</b>	<b>Mission/Function</b>	<b>Location</b>	<b>Board Members</b>
California Educational Facilities Authority (CEFA)	1973	Issues revenue bonds to help private colleges and universities expand and build educational facilities through lower-cost financing.	State Treasurer's Office	<ul style="list-style-type: none"> <li>▪ state treasurer (chair)</li> <li>▪ state controller</li> <li>▪ director of Department of Finance</li> <li>▪ 2 gubernatorial appointees</li> </ul>
California Pollution Control Financing Authority (CPCFA)	1973	Issues tax-exempt bonds to help pollution control facilities meet state and federal environmental standards.	State Treasurer's Office	<ul style="list-style-type: none"> <li>▪ state treasurer (chair)</li> <li>▪ state controller</li> <li>▪ director of Department of Finance</li> </ul>
California Health Facilities Financing Authority (CHFFA)	1979	Provides loans funded by issuance of tax-exempt revenue bonds to public and nonprofit health care providers.	State Treasurer's Office	<ul style="list-style-type: none"> <li>▪ state treasurer (chair)</li> <li>▪ state controller</li> <li>▪ director of Department of Finance</li> <li>▪ 2 gubernatorial appointees</li> <li>▪ 2 Senate pro Tem appointees</li> <li>▪ 2 Assembly Speaker appointees</li> </ul>
California Industrial Development Financing Advisory Commission (CIDFAC)	1980	Issues industrial development bonds to finance capital expenditures in order to increase employment or economic development.	State Treasurer's Office	<ul style="list-style-type: none"> <li>▪ state treasurer (chair)</li> <li>▪ state controller</li> <li>▪ secretary of Business, Transportation, and Housing</li> <li>▪ director of Department of Finance</li> <li>▪ commissioner of Department of Corporations</li> </ul>

<sup>11</sup> Source: Agency Web sites.

Agency	Established	Mission/Function	Location	Board Members
California Debt Limit Allocation Committee (CDLAC)	1985	Administers the state's tax-exempt private activity bond program. Any applicant for industrial development bonds must go through this agency in addition to the bond-issuing authority.	State Treasurer's Office	<ul style="list-style-type: none"> <li>▪ state treasurer (chair)</li> <li>▪ state controller</li> <li>▪ governor</li> </ul>
California Infrastructure and Economic Development Bank (I-Bank) <sup>12</sup>	1994	Issues tax-exempt and taxable revenue bonds, provides financing to public agencies, provides credit enhancements, acquires or leases facilities, and leverages state and federal funds, in order to help finance public infrastructure.	Office of the Secretary of Business, Transportation, and Housing	<ul style="list-style-type: none"> <li>▪ secretary of Business, Transportation, and Housing (chair)</li> <li>▪ state treasurer</li> <li>▪ director of Department of Finance</li> <li>▪ 1 gubernatorial appointee</li> </ul>

**Regional Council of Rural Counties**

You also asked SOR to look at the Regional Council of Rural Counties' (RCRC) JPA that is focused on assisting homebuyers. RCRC was established in 1973 and has a membership of 30 rural counties. RCRC's mission is "improving the ability of rural California county government to provide services, reducing the burden of state and federal mandates and promoting a 'rural' understanding among urban focused policy makers . . . ."

RCRC established the California Rural Home Mortgage Finance Authority (Cal Rural) as a JPA in 1993 and later changed its name to the CRHMFA Homebuyers Fund, Inc. (CHF). In 2002 CHF formed the National Homebuyers Fund, Inc. (NHF), a nonprofit public benefit corporation, to administer its home loan programs. The loan programs are targeted to homebuyers who cannot afford the down payment and closing costs; up to 105 percent of a home's purchase price can be provided through the programs (to cover purchase price, down payment, and closing costs), packaged as a single monthly mortgage payment. The programs are financed through the issuance of tax-exempt bonds, taxable bonds, and private financing. CHF serves all 58 counties in the

<sup>12</sup> Note: According to STO, STO has a "noncompete clause" with the I-Bank.

state. According to the NHF Web site, NHF and CHF have processed over \$7.2 billion in first and second mortgage loans on approximately 53,000 properties (please see Table 2). CHF is not listed in the controller's 2004-05 special districts report (the most recent year the report was published), either as reporting or as failing to report.

**Table 2: CRHMFA/CHF Bond Issuance Volume, 2000-07<sup>13</sup>**

<b>Year</b>	<b>Dollars in Millions</b>
2000	\$983.5
2001	\$715.5
2002	\$478.5
2003	\$430.0
2004	\$530.1
2005	\$35.0
2006	\$495.3
2007	\$245.0
TOTAL	\$3,912.9

RCRC also established the Environmental Services JPA (ESJPA) in 1993 "in response to new and costly federal mandates regulating local solid waste management programs." ESJPA, which has 22 member counties, provides regulatory advocacy and technical assistance to its member counties, supports local public education campaigns, and administers grants for recycling and hazardous-waste management programs. ESJPA is also not listed in the controller's special districts report.

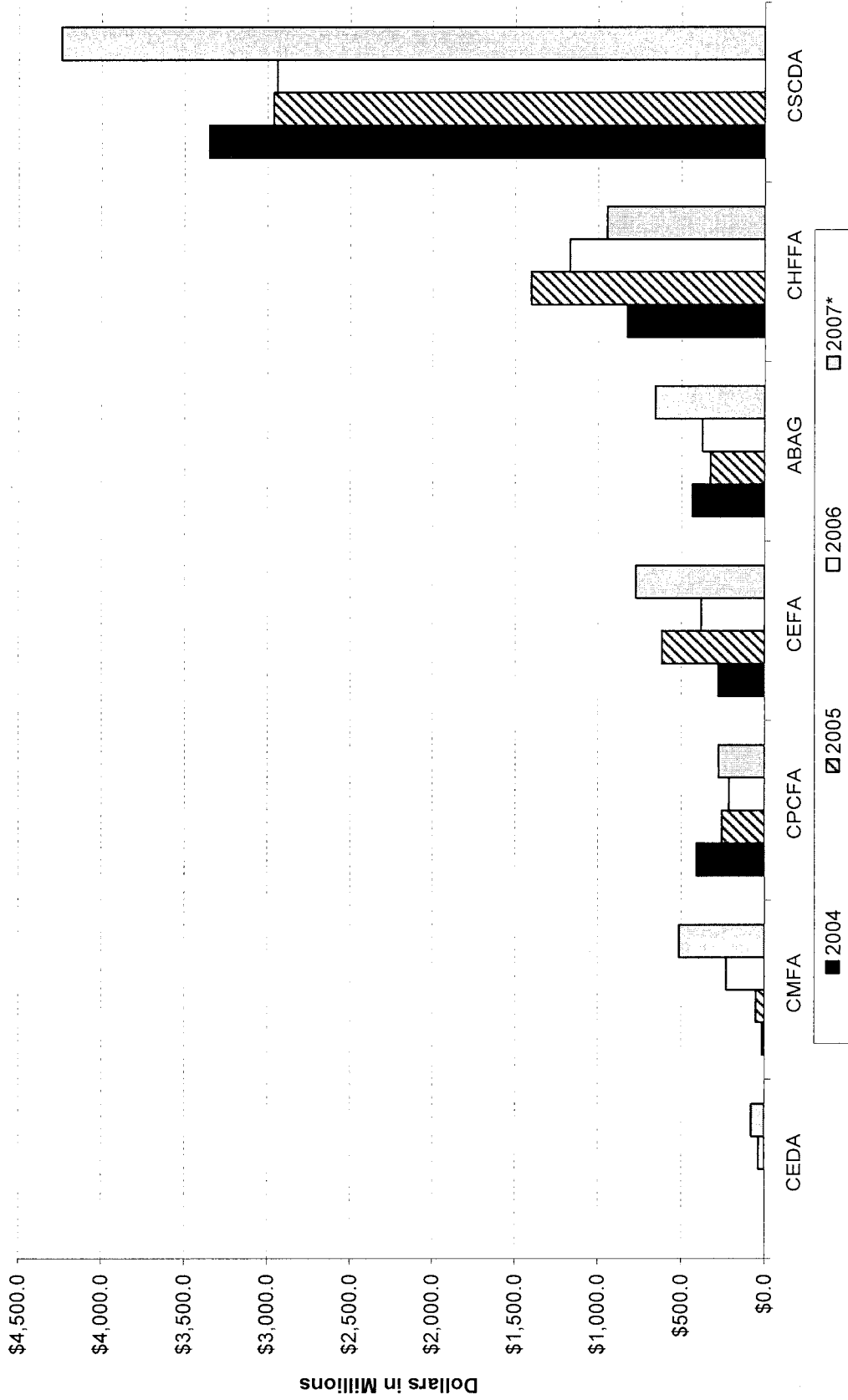
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Attachments

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<sup>13</sup> Reflects debt issuance reported to the California Debt Investment Advisory Commission as of November 7, 2007.



**Chart 1: Comparison of Bond Issuance Volume, 2004-2007\***



\* Reported to CDIAC as of November 7, 2007. Note: CMFA was established in 2004, CEDA in 2006. Source: CDIAC.

## **APPENDICES**

### **Appendix A: Bonds That Joint Powers Authorities Are Authorized to Issue**

Provides a summary of the types of bonds that various entities are authorized to issue.

### **Appendix B: Comparison of Bond-Issuing Authorities**

Provides a comprehensive overview of various key statutory requirements, policies, and procedures of the seven authorities.

### **Appendix C: Fees Charged by Bond-Issuing Authorities**

Provides a comparative breakdown of the various fees charged by the seven authorities.

### **Appendix D: Comparison of Bond-Issuing Authority Applications**

Provides a side-by-side comparison of information requested by the applications of each of the seven authorities.

**APPENDIX A  
BONDS THAT JOINT POWERS AUTHORITIES ARE AUTHORIZED TO ISSUE**

<b>Instrument</b>	<b>Bond Type</b>	<b>Issuer</b>	<b>Security</b>	<b>Typical Projects</b>	<b>Project Examples</b>
Direct bonds	Public enterprise revenue bonds	Cities, counties, JPAs	Revenue from the enterprise	Revenue-producing enterprises	Public buildings, stadiums, electric utilities, water/sewer treatment, airports, police stations, libraries, low-income housing, police/fire vehicles, computers
Direct bonds	Public lease revenue bonds	JPAs, nonprofits, redevelopment agencies, parking authorities, public works departments	Lease payments	Capital improvements to be leased by a public agency	Stadiums, parking facilities, convention centers, school buildings, airports, entire water or sewer systems
Conduit bonds	Conduit revenue bonds—economic development	CEDFA, CPCFA, JPAs, industrial development agencies	Revenue derived from project	Small manufacturing facilities, pollution control facilities, specific narrowly defined projects	Manufacturing, assembly fabrication, renovation, or processing plants for goods or agriculture; hazardous waste disposal and processing facilities, waste collection/treatment facilities
Conduit bonds	Conduit revenue bonds—educational facility	CEFA, JPAs, charter cities	Payments from educational facility	Educational facilities	Dormitories, administration buildings, dining halls, student unions, school libraries, research facilities, student loan programs
Conduit bonds	Conduit revenue bonds—hospital and health care	CHFFA, county health care districts, charter cities, JPAs	Payments from health care facility	Construction, renovation, expansion of health care facilities	Acute care hospitals, psychiatric care hospitals, skilled nursing facilities, community clinics, outpatient hospitals
Conduit bonds	Conduit revenue bonds—multifamily housing	Cities, counties, JPAs, housing authorities, redevelopment agencies	Revenue derived from project or lending program	Financing and/or refinancing construction, renovation, rental housing developments for private developers	Multifamily projects, including apartment buildings
Conduit bonds	Marks-Roos bonds	JPAs	General Fund or revenue derived from participating local agency	Assisting local agencies with financing needs: capital improvement bonds, bond pooling, and working capital or insurance programs	Public buildings, stadiums, electric utilities, water/sewer treatment, airports, police stations, libraries, low-income housing, mass transit, telecommunications

<b>Instrument</b>	<b>Bond Type</b>	<b>Issuer</b>	<b>Security</b>	<b>Typical Projects</b>	<b>Project Examples</b>
Conduit bonds	Single-family mortgage revenue bonds	Cities, counties, JPAs, housing authorities	Revenue from project	Below-market loan programs for low- to moderate-income families; acquisition, rehabilitation, and improvement of single-family homes	Purchase mortgage loans originated by one or more lenders participating in the program
Leases	Certificates of participation/financial leases	JPA, nonprofit corporation, leasing company, bank, or other lessor	Rent	Public buildings; only land and depreciable property that a public agency has statutory authority authorization to lease	Educational facilities; irrigation, water, sewer, police, and fire facilities; transportation equipment

Source: California Debt and Investment Advisory Commission, "California Debt Issuance Primer," 2006, Appendix E.

**APPENDIX B  
COMPARISON OF BOND-ISSUING AUTHORITIES**

Issuer	California Educational Facilities Authority (CEFA)	California Health Facilities Financing Authority (CHFFA)	California Pollution Control Financing Authority (CPCFA)	California Municipal Finance Authority (CMFA)	California Enterprise Development Authority (CEDA)	California Statewide Communities Development Authority (CSCDA)	Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)
<b>General Information</b>							
<b>Authorization</b>	Education Code, Sections 94100-94216.11 and California Code of Regulations, Title 4, Division 12, Chapters 1-3	Government Code, Sections 15430-15462.5 and California Code of Regulations, Title 4, Division 10, Chapters 1-3	Health and Safety Code, Sections 44500-44559.9 and California Code of Regulations, Title 4, Division 11, Articles 1-11	Government Code, Sections 6500 et. seq. (Joint Exercise of Powers Act)	Government Code, Sections 6500 et seq. (Joint Exercise of Powers Act)	Government Code, Sections 6500 et seq. (Joint Exercise of Powers Act)	Government Code, Sections 6500 et seq. (Joint Exercise of Powers Act)
<b>Year Established</b>	1973 <sup>1</sup>	1979 <sup>2</sup>	1973 <sup>3</sup>	2004 <sup>4</sup>	2006 <sup>5</sup>	1988 <sup>6</sup>	1990 <sup>7</sup>
<b>Sunset Date</b>	n/a <sup>8</sup>	n/a	n/a <sup>9</sup>	n/a	n/a	n/a	n/a
<b>Public Agency</b>	Yes (Reports to State Treasurer's Office)	Yes (Reports to State Treasurer's Office)	Yes (Reports to State Treasurer's Office)	Yes (CA Foundation for Stronger Communities board acts as CMFA board)	Yes (Established by CA Assn. for Local Economic Development)	Yes (Sponsored by League of CA Cities, California State Association of Counties, and California State Association of Counties Financial Corp.)	Yes (Sponsored by Association of Bay Area Governments)

Issuer	California Educational Facilities Authority (CEFA)	California Health Facilities Financing Authority (CHFFA)	California Pollution Control Financing Authority (CPCFA)	California Municipal Finance Authority (CMFA)	California Enterprise Development Authority (CEDA)	California Statewide Communities Development Authority (CSCDA)	Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)
<b>Purpose/Mission Statement</b>	Issues revenue bonds to help private colleges and universities expand and build educational facilities through lower-cost financing.	Provides financial assistance to public and nonprofit health care providers through loans funded by issuance of tax-exempt revenue bonds.	Provides financing for pollution control facilities to help meet environmental standards.	Assists local governments, nonprofits, and businesses with issuance of tax-exempt and taxable financing for local economic and social programs aimed at improving the standard of living in the state. <sup>10</sup>	Dedicated to issuance of conduit revenue bonds for economic development projects. <sup>11</sup>	Provides local governments and private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth, and improve the overall quality of life in local communities throughout the state. <sup>12</sup>	Acts as a conduit issuer on behalf of not-for-profit agencies and other borrowers with projects located within the jurisdictions of its members. <sup>13</sup>
<b>Types of Projects Financed</b>	Higher education	Health care	Waste and recycling facilities, other pollution control	Affordable housing, infrastructure, manufacturing, solid waste, water, water treatment facilities, educational/cultural	Economic development	Affordable housing, infrastructure, solid waste and exempt facilities, manufacturing	Affordable housing, health care and social services, education
<b>State Laws That Apply to Issuer Operations</b>							
<b>AB 1341 CEQA Requirements Apply?</b> <sup>14</sup>	Yes	Yes	Yes	No	No	No	No
<b>Pass-Through Savings Requirement</b>	No	Yes <sup>15</sup>	No	No	No	No	No
<b>Level of Review of Proposals by Issuer - SEE ATTACHED APPLICATION COMPARISON SPREADSHEET FOR MORE DETAILS</b>							
<b>Analysis of Public Benefits</b> <sup>16</sup>	Yes <sup>17</sup>	Yes <sup>18</sup>	Yes <sup>19</sup>	Yes <sup>20</sup>	Yes <sup>21</sup>	Yes <sup>22</sup>	Yes <sup>23</sup>

Issuer	California Educational Facilities Authority (CEFA)	California Health Facilities Financing Authority (CHFFA)	California Pollution Control Financing Authority (CPCFA)	California Municipal Finance Authority (CMFA)	California Enterprise Development Authority (CEDA)	California Statewide Communities Development Authority (CSCDA)	Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)
Review of Legal or Other Issues That Could Affect Borrower Specificity Required for Project Descriptions	Yes <sup>24</sup>	Yes <sup>24</sup>	Yes <sup>24</sup>	Yes <sup>25</sup>	Yes <sup>26</sup>	Yes <sup>27</sup>	Yes <sup>28</sup>
Fees Charged by Issuer	See attached application comparison spreadsheet						
Fees Charged	See attached fee comparison spreadsheet for this and annual fee question						
Fees Posted on Web site	Yes	Yes (in application)	Yes (in application)	Yes	No	Yes	Yes
Ongoing Yearly Fees for Outstanding Bonds	Yes	Yes	No	Yes	Yes	Yes	Yes

Issuer	California Educational Facilities Authority (CEFA)	California Health Facilities Financing Authority (CHFFA)	California Pollution Control Financing Authority (CPCFA)	California Municipal Finance Authority (CMFA)	California Enterprise Development Authority (CEDA)	California Statewide Communities Development Authority (CSCDA)	Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)
<b>Fee Revenues</b> <b>How Applicants Spend Bond Revenues (Eligible Projects)</b>	<ul style="list-style-type: none"> <li>▪ Construction and renovation</li> <li>▪ Land acquisition</li> <li>▪ Purchase or lease of equipment</li> <li>▪ Refinancing or refunding of prior debt</li> <li>▪ Costs of bond issuance and reimbursement of prior expenses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Construction and renovation</li> <li>▪ Land acquisition of existing health facilities</li> <li>▪ Purchase or lease of equipment</li> <li>▪ Refinancing or refunding of prior debt</li> <li>▪ Working capital for startup facilities</li> <li>▪ Costs of bond issuance, feasibility studies, and reimbursement of prior expenses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Buildings and equipment</li> <li>▪ Machinery and furnishings</li> <li>▪ Land</li> <li>▪ Costs of architects, engineers, attorneys, and permits</li> <li>▪ Costs of bond issuance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Manufacturing facilities and equipment</li> <li>▪ Solid waste, water, wastewater treatment facilities and infrastructure</li> <li>▪ Nonprofit projects, including education, health care, and cultural facilities</li> <li>▪ Affordable multifamily and senior housing</li> <li>▪ Government-sponsored financing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Industrial development bond financing</li> <li>▪ 501(c)(3) financings</li> <li>▪ Exempt facility financings</li> <li>▪ No housing projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ 501(c)(3) nonprofit: acquisition, construction, installation, expansion, rehabilitation of land, buildings, equipment</li> <li>▪ Affordable housing: low-income multifamily and senior housing</li> <li>▪ Lease Finance Program (helps local agencies finance equipment and real estate)</li> <li>▪ Industrial development bonds/manufacturing: acquisition, rehabilitation, construction of manufacturing facilities</li> <li>▪ Tax and revenue anticipation notes (help local government finance short-term cash flow deficits)</li> <li>▪ Water/wastewater</li> <li>▪ Solid waste and exempt facilities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Facility acquisition and rehabilitation</li> <li>▪ Equipment acquisition</li> <li>▪ New construction</li> <li>▪ Finance projects for hospitals, health care clinics, retirement facilities, affordable housing, private schools, behavioral health care agencies, substance abuse facilities, and community service organizations</li> </ul>



Issuer	California Educational Facilities Authority (CEFA)	California Health Facilities Financing Authority (CHFFA)	California Pollution Control Financing Authority (CPCFA)	California Municipal Finance Authority (CMFA)	California Enterprise Development Authority (CEDA)	California Statewide Communities Development Authority (CSCDA)	Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)
Other							
Beneficial Programs Funded from Fee Revenues	Yes <sup>29</sup>	No <sup>30</sup>	Yes <sup>31</sup>	Yes <sup>32</sup>	No	No	No
Discounts or Rebates for Small Businesses	No	No	Yes <sup>33</sup>	No	No	No	No <sup>34</sup>
<b>Public Accessibility to Information by Issuer</b>							
Meeting Agendas Posted?	Yes (14 days prior) <sup>35</sup>	Yes (14 days prior) <sup>36</sup>	Yes (10 days prior) <sup>37</sup>	Yes (as per state law) <sup>38</sup>	Yes (3 days prior) <sup>39</sup>	Yes (at least 3 days prior) <sup>40</sup>	Yes (about a week prior) <sup>41</sup>
Days in Advance of Meeting Agenda Should be Posted	10 days <sup>42</sup>	10 days <sup>42</sup>	10 days <sup>42</sup>	3 days <sup>43</sup>	3 days <sup>43</sup>	3 days <sup>43</sup>	3 days <sup>43</sup>
Meeting Agendas Posted On Web <sup>44</sup>	Yes	Yes	Yes	No	Yes	Yes	No
Past Agendas Posted on Web	Yes	Yes	Yes	No	No	No	No
Future Meeting Dates Posted on Web	Yes	Yes	Yes	No	No	No	No
Current Staff Reports Posted on Web	Yes	Yes	Yes	No	No	No	No

Issuer	California Educational Facilities Authority (CEFA)	California Health Facilities Financing Authority (CHFFA)	California Pollution Control Financing Authority (CPCFA)	California Municipal Finance Authority (CMFA)	California Enterprise Development Authority (CEDA)	California Statewide Communities Development Authority (CSCDA)	Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)
Past Staff Reports Posted on Web	Yes	Yes	Yes	No	No	No	No
Minutes Posted on Web\	Yes	Yes	Yes	No	No	No	No
Tax Equity and Fiscal Responsibility Act (TEFRA) Notices Posted on Web <sup>45</sup>	Yes	Yes <sup>46</sup>	Yes	No	No	TEFRA requirements posted on Web site	TEFRA requirements posted on Web site and included in Issuance Guidelines
Annual Reports Posted on Web	Yes	Yes <sup>47</sup>	Yes	No	No	No	No <sup>48</sup>
Applications for Funding							
Application Posted on Web	Yes	Yes	Yes	Yes	No	Yes (on-line app)	Yes
Information Required in Application	See attached application comparison spreadsheet						
Requests Environmental Benefits Detail	Yes	No	Yes	No	No	No	No

Issuer	California Educational Facilities Authority (CEFA)	California Health Facilities Financing Authority (CHFFA)	California Pollution Control Financing Authority (CPCFA)	California Municipal Finance Authority (CMFA)	California Enterprise Development Authority (CEDA)	California Statewide Communities Development Authority (CSCDA)	ABAG Finance Authority for Nonprofit Corporations (ABAG)
<b>Post-Issuance Compliance</b>							
Clear Procedure to Track/Monitor Borrower Activities for Compliance with Bond Documents, Tax Law, etc.	Yes <sup>49</sup>	Yes <sup>50</sup>	Yes <sup>51</sup>	Yes <sup>52</sup>	Yes <sup>53</sup>	Yes <sup>54</sup>	Yes <sup>55</sup>
<b>Reporting Requirements</b>							
Report to Legislature, Governor, Other <sup>56</sup>	Annual reports to Legislature and governor <sup>57</sup>	Annual reports to insurance commissioner, Legislature <sup>58</sup>	Annual reports to Legislature, treasurer, and governor <sup>59</sup>	Annual report to controller <sup>60</sup>	Annual report to controller <sup>60</sup>	No <sup>61</sup>	Annual report to controller <sup>60</sup>

**ENDNOTES:**

- Per CEFA.
- Created by Chapter 1033, Statutes of 1979, the Health Facilities Authority Act.
- According to California Code of Regulations, Title 4, Division 11, Foreword, the authorization for the state to issue Pollution Control Revenue Bonds was passed by a vote of the people on November 7, 1972, in the form of Proposition 3. Enabling legislation (AB 925, Knox, Chapter 1257, Statutes of 1972) was signed in 1972, with an effective date of March 7, 1973.
- CMFA was created January 1, 2004. The California Foundation for Stronger Communities, whose board serves as the governing board for CMFA, was incorporated as a nonprofit public benefit corporation on February 17, 2004. The official contact (who is also a board member) for the foundation is Eric Iwafuchi, who is CFO and VP of Finance for Scope Industries, a company that recycles bakery waste material into animal feed supplements.
- Per CEDA, CEDA was formed on June 14, 2006, when they officially filed with the secretary of state. However, the JPA agreement had already been signed by the original three members, which effectively activated the JPA.
- According to CSCDA, CSCDA was created by the League of California Cities and the California State Association of Counties in 1988.
- Per ABAG Finance Authority.
- Education Code, Section 94216.11 extends CEFA's Academic Assistance Program until January 1, 2009.
- Pursuant to Health and Safety Code, Section 44557, CPCFA "may be terminated at any time by the Legislature." Health and Safety Code, Section 44525.6 (AB 1341, Committee on Environmental Safety and Toxic Materials, Chapter 724, Statutes of 2006) extends CPCFA's Sustainable Communities Grant and Loan Program to 2012.

10 Per CMFA, "at this point in time" the membership is 60 cities and counties; however, the membership changes on a daily basis due to new members constantly coming in as  
11 transactions are made (must join CMFA in order to get the bonds).

12 Per CEDA, CEDA currently has eight counties and six cities as members; they will be adding two more cities and one more county in December 2007.

13 The CSCDA Web site lists 473 local public agencies as members, including 325 cities, all 58 counties, 63 special districts, and 17 redevelopment and water agencies.

14 The ABAG Finance Authority Web site lists seven counties, 19 cities, and one city/county as members, and an additional 14 counties and 29 cities as "associate members."

15 AB 1341 (Assembly Committee on Environmental Safety and Toxic Materials, Chapter 714, Statutes of 2006) requires an applicant for project funding by CPCFA, CHHFA, or  
16 CEFA to provide documentation that the project has complied with CEQA (or is not subject to CEQA), before the authority can approve bonds to be issued for the project.  
17 Pursuant to Government Code, Section 15438.5, CHFFA policy is to require savings resulting from tax-exempt bond financing to be transferred to the public in the form of  
18 lower costs for health service delivery. (This was part of the original legislation creating CHFFA, Chapter 1033, Statutes of 1979). The CHFFA application specifically asks  
19 how the applicant intends to pass on the savings.

20 Pursuant to Government Code, Section 6586.5, an authority cannot authorize the issuance of bonds unless certain requirements are met, including a finding of significant  
21 public benefit at a public hearing of the local agency in the city or county in which the project is located.

22 Per CEFA, staff does a public benefits analysis immediately upon receiving an application. CEFA's authorizing statute (Education Code, Section 94110) specifically states  
23 that borrowers must be a nonprofit that serves an educational purpose to qualify. Borrowers are asked to describe how the projects are eligible under Education Code,  
24 Section 94110.

25 Per CHFFA, they look at public benefits immediately upon receiving an application. If the applicant is a hospital, CHFFA reviews their annual community benefit report; if  
26 the applicant is not a hospital, they typically submit a narrative response and attestation concerning the various community services their organization provides to the  
27 surrounding community, which is analyzed by CHFFA staff. CHFFA is currently in the process of establishing new review procedures.

28 Questions relating to public benefit are included in the CPCFA application. In addition, according to CPCFA, they review public benefit in the Final Resolution stage before  
29 the project is voted on for allocation by CDLAC. (Industrial development bonds are private activity bonds as defined by federal law, and therefore require a CDLAC allocation  
30 prior to bond issuance). CDLAC procedures include a section on public benefit.

31 The CMFA application asks for a description of the public benefit associated with the project.

32 The CEDA Pre-Application has a "Public Benefits Associated with the Project" attachment.

33 The CSCDA Housing Application asks for percentage of units in low-income housing and percentage of area median income for low-income housing units. The Industrial  
34 Development Bonds/Manufacturing and Exempt Facilities/Solid Waste applications ask for a public benefit summary (see Appendix D for details).

35 According to the ABAG Finance Authority's Issuance Guidelines, "All applications must demonstrate sufficient public benefit as determined by the Authority," based on  
36 factors such as affordability, availability, and level of services.

37 Per CEFA, CHFFA, and CPCFA, borrowers must respond to a legal status questionnaire to determine the financial viability and legal integrity of borrowers. Additionally, the  
38 Attorney General's Office serves as counsel to all three authorities and approves transactions after conducting an extensive legal review.

39 Per CMFA, they do "due diligence review" but do not ask up-front in the application in order to avoid liability if issues come up later.

40 Per CEDA, they require secretary of state information regarding good standing and any necessary company board resolutions as part of closing. CEDA also does "due  
41 diligence" to ensure that what is being represented is correct at the application stage.

42 Per CSCDA, "CSCDA reviews all legal issues that could affect the borrower, and equally as important, the bondholder." A "Legal Status of Project Sponsor" is included in the  
43 application.

44 Per ABAG Finance Authority Issuance Guidelines, the authority requires a comprehensive legal opinion regarding the sufficiency of the disclosure in each official statement.  
45 CEFA's Academic Assistance Program helps private colleges and universities create and expand programs to provide access to higher education for low-income and very  
46 low-income students in grades 7-12. CEFA's Student Loan Program helps students finance higher education costs.

47 Per CHFFA, this is in process.

31 CPCFA's Capital Access Loan Program (CalCAP) also provides additional risk coverage for loans that are made by lenders to businesses located in severely affected communities. CalCAP allows CPCFA to contribute up to 150 percent of the combined premium payments by the lender and borrower for each loan made in these communities. A severely affected community is any state Enterprise Zone, as well as any other comparable economically distressed geographic area, as designated by CPCFA. CPCFA also operates the Sustainable Communities Grant and Loan Program, the CalReUSE Program, and the Small Business Assistance Fund. (Source: CPCFA Web site).

32 Twenty-five percent of issuance fees go to CA Foundation for Stronger Communities to support local charities; the board of this foundation acts as the governing board for CMFA.

33 Health and Safety Code, Section 44548(a)(1)(C) authorizes CPCFA to establish a small business assistance fund or funds, and Health and Safety Code, Sections 44559-44559.9 detail the Capital Access Loan Program. The CPCFA application states that small businesses are exempt from general fees (p. iii).

34 While there is not a discount for small businesses, the authority "strongly encourages the participation of Minority-, Women-, and Disabled American Veteran-Owned Businesses in its financings."

35 Per CEFA.

36 Per CHFFA.

37 Per CPCFA.

38 Per CMFA.

39 Per CEDA.

40 Per CSCDA, "all agenda postings meet or exceed the time posting requirements of Section 54954.2 and Section 54956 of the Ralph M. Brown Act."

41 Per ABAG.

42 Bagley-Keene Open Meetings Act, Government Code, Section 11125(a).

43 Brown Act (Government Code, Section 54954.2) requires 72-hours notice.

44 While the Bagley-Keene Open Meetings Act, which governs state government, requires notice to also be posted on the Internet, the Brown Act, which governs local government, does not require Internet posting.

45 The federal Tax Equity and Fiscal Responsibility Act (TEFRA) requires authorities to hold a public hearing before selling any bonds. An authority must publish notice, as well as project description(s), at least 14 days prior to hearing.

46 Per CHFFA, they will begin posting TEFRA notices with the next bond financing.

47 No overall annual report posted, but the Web site does include an annual report for 2006 on the Children's Hospital Program. See Reporting Requirement section of this Appendix also.

48 Although annual reports are not posted, audited financial statements are posted.

49 Pursuant to Education Code, Sections 94110(f)(2)(C) and 94142, CEFA is required to monitor projects on an annual and ongoing basis to ensure compliance with statutory requirements, regulatory agreements, CEFA requirements, and bond indenture requirements. California Code of Regulations, Title 4, Division 12, Chapter 2, specifies that applicants to the Academic Assistance Grant Program shall report to CEFA each fiscal year that grant funds are disbursed; submit a final report the fiscal year following the final year grant funds are received; and retain all program documentation and financial data for three years after the final report is submitted.

50 Government Code, Section 15459.3 requires each borrower to make available to CHFFA and the public an annual report detailing compliance as specified.

51 CCR Title 4, Division 11, Articles 10 and 11, specify that grant and loan recipients shall provide quarterly reports to CPCFA; submit a final report after project completion; and retain program documentation and financial data for three years after project completion.

52 Per CMFA.

53 Per CEDA, they track projects for what they have issued thus far (CEDA was just formed in 2006); CEDA charges an annual fee for this purpose.

54 Per CSCDA, they have internal procedures to track and monitor borrowers' activities for compliance with bond documents, tax laws, etc. Their compliance services platform performs post-issuance compliance activities to ensure compliance with federal and state laws.

55 Per ABAG, tracking procedures are particularly involved for affordability requirement monitoring on housing issues for bonds allocated by the state.  
56 State law (Government Code, Section 6503.5) also requires that when a joint powers agency is formed, the information must be filed with the Secretary of State's Office. Any  
57 agency or entity administering a joint powers agreement forming a new agency is prohibited from issuing bonds or incurring indebtedness until the filing is completed.  
Pursuant to Education Code, Sections 94155 and 94216, CEFA is required to submit an annual report of prior calendar year activities to the Legislature and governor by  
March 1 and an annual report to the Legislature as specified. CEFA is also required to cause an audit of its books and accounts at least once per year by certified public  
accountants.

58 Per CHFFA, CHFFA submits an annual report to the insurance commissioner regarding Anthem-Wellpoint Grant Funds and to the Legislature regarding the Children's  
Hospital Program. The Children's Hospital report is required by statute, while the Anthem-Wellpoint report is required by regulation.

59 Health and Safety Code, Section 44525.6 requires an annual report to the Legislature regarding the Sustainable Communities Grant and Loan Program (till 2012). Health  
and Safety Code, Section 44538 requires an annual report of prior year activities, as specified, to the Legislature and treasurer by March 31. Health and Safety Code,  
Section 44559 requires an annual report to the Legislature and governor regarding the Capital Access Loan Program for small businesses.

60 Government Code, Section 6505(b) requires JPAs to undergo an annual independent audit, the minimum requirements of which shall be those prescribed by the state  
controller for special districts under Government Code, Section 26909. Government Code, Section 6505(c) requires a report of any audit to be filed as public record each  
year with each of the members of the JPA, the county auditor for the county in which the JPA is located, and sent to any public agency or person in the  
state that requests it. Government Code, Section 26909 requires special districts to file an audit report each year with the state controller and with the county auditor for  
the county in which the district is located. Pursuant to Government Code, Section 53895, the state controller shall levy a fine of between \$1,000 and \$5,000, depending on  
the agency's revenue level, on agencies that fail to report; the state controller can also request the attorney general to prosecute (the state controller can, however, waive the  
fine upon a satisfactory showing of good cause).

61 According to the state Controller's Office, CSCDA "is a Joint Powers Authority that exists exclusively as an administrative vehicle to permit the issuance of bond/debt  
obligations for local government entities and nonprofit and private enterprises. As such, the Authority is a pure financing conduit with no revenues, expenditures, assets, or  
liabilities." (2004-05 Special Districts Annual Report, p. 1057). As a conduit financing district, it appears that CSDCA does not fall under the controller's reporting  
requirement for JPAs.

**APPENDIX C  
FEES CHARGED BY BOND-ISSUING AUTHORITIES**

	California Educational Facilities Authority (CEFA)	California Health Facilities Financing Authority (CHFFA)	California Pollution Control Financing Authority (CPCFA)	California Municipal Finance Authority (CMFA)	California Enterprise Development Authority (CEDA) <sup>1</sup>	California Statewide Communities Development Authority (CSCDA)	Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)
<b>Application Fees</b>	<ul style="list-style-type: none"> <li>▪ Bond Financing Program</li> <li>▪ Due with application <ul style="list-style-type: none"> <li>▪ \$1,000</li> <li>▪ Nonrefundable</li> </ul> </li> <li>▪ Simplified Equipment Financing Program</li> <li>▪ No fee</li> <li>▪ SMART Green Equipment Financing Program</li> <li>▪ No fee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Due with application <ul style="list-style-type: none"> <li>▪ \$500</li> <li>▪ Nonrefundable</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Due with application <ul style="list-style-type: none"> <li>▪ 0.0005% of amount financing requested</li> <li>▪ \$250 minimum, \$5,000 maximum</li> <li>▪ Nonrefundable, but applied to general fees if project is financed</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Due with application <ul style="list-style-type: none"> <li>▪ \$2,500</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Due with application <ul style="list-style-type: none"> <li>▪ \$1,500</li> <li>▪ Nonrefundable</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Bond Program <ul style="list-style-type: none"> <li>▪ \$5,000 per borrower, per calendar year</li> </ul> </li> <li>▪ Small Issue Public Benefit Program <ul style="list-style-type: none"> <li>▪ \$2,500 per borrower, per calendar year</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Nonrefundable, but credited against bond administration fees due at closing</li> <li>▪ \$5,000 for Multifamily Housing Application</li> <li>▪ \$1,000 for all other applications</li> </ul>
<b>Annual Administration Fees</b>	<ul style="list-style-type: none"> <li>▪ Bond Financing Program <ul style="list-style-type: none"> <li>▪ \$500/year for first 5 years that debt is outstanding</li> <li>▪ \$250/year thereafter</li> </ul> </li> <li>▪ Simplified</li> </ul>	<ul style="list-style-type: none"> <li>▪ 0.02% of bonds outstanding (maximum \$150,000) or lesser of 0.02% of bonds outstanding or \$500 (depends on category of applicant)</li> </ul>	<ul style="list-style-type: none"> <li>▪ No<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Due in advance each year <ul style="list-style-type: none"> <li>▪ Minimum annual fee for affordable housing transactions: \$4,000</li> <li>▪ No annual fee for government-</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ \$500 per year, or a portion thereof, until bonds are redeemed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Conduit Fees <ul style="list-style-type: none"> <li>▪ Depends on type of project</li> <li>▪ Housing, nonprofit housing: 0.08%-0.12%</li> <li>▪ Airports: 0.05%</li> <li>▪ Solid waste: 0.10%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Annual Bond Administration Fees <ul style="list-style-type: none"> <li>▪ Credit Enhanced: 2 basis points</li> <li>▪ Investment Grade-Rated but not Credit Enhanced:</li> </ul> </li> </ul>

<p><b>California Educational Facilities Authority (CEFA)</b></p> <p>Equipment Financing Program</p> <ul style="list-style-type: none"> <li>Waived for participants with other outstanding CEFA debt</li> <li>All others: same as Bond Financing Program</li> </ul> <p>SMART Green Equipment Financing Program</p> <ul style="list-style-type: none"> <li>No fee</li> </ul>	<p><b>California Health Facilities Financing Authority (CHFFA)</b></p> <ul style="list-style-type: none"> <li>First payment assessed in year following year in which bonds issued</li> </ul>	<p><b>California Pollution Control Financing Authority (CPCFA)</b></p>	<p><b>California Municipal Finance Authority (CMFA)</b></p> <p>sponsored or school district transactions</p>	<p><b>California Enterprise Development Authority (CEDA)<sup>1</sup></b></p>	<p><b>California Statewide Communities Development Authority (CSCDA)</b></p> <ul style="list-style-type: none"> <li>Native American: 0.10%</li> </ul> <p>Small Issue Public Benefit Program</p> <ul style="list-style-type: none"> <li>No annual administration fee</li> </ul>	<p><b>Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)</b></p> <p>2 basis points</p> <ul style="list-style-type: none"> <li>Non-rated: 5 basis points</li> <li>On original principal amount, subject to \$10,000 maximum</li> </ul> <p>Project Monitoring Fees</p> <ul style="list-style-type: none"> <li>Lesser of 12/5 bps annually on original principal amount of permanent financing, or \$4,000 per project</li> <li>Applicable to private activity bonds issued for multifamily housing</li> </ul>
<p><b>Initial Fees/ General Fees/ Issuance Fees</b></p> <p>Bond Financing Program</p> <ul style="list-style-type: none"> <li>Due at closing</li> <li>0.15% of issue amount</li> </ul>	<ul style="list-style-type: none"> <li>Due at loan closing</li> <li>0.75% of aggregate amount of issue</li> </ul>	<ul style="list-style-type: none"> <li>Due at closing</li> <li>0.002% of face value of bond issued for non-small business</li> </ul>	<ul style="list-style-type: none"> <li>Depends on category of applicant, bond rating, and issuance</li> </ul>	<ul style="list-style-type: none"> <li>Issuance fee due upon bond closing</li> <li>Up to \$10 million: 0.25%</li> </ul>	<p>Conduit Fees</p> <ul style="list-style-type: none"> <li>Depends on category of applicant and bond issuance</li> </ul>	<p>Bond Closing Fees</p> <ul style="list-style-type: none"> <li>Credit enhanced: 5 basis points</li> </ul>



<p><b>California Educational Facilities Authority (CEFA)</b></p> <p>(\$75,000 maximum)</p> <p>Simplified Equipment Financing Program</p> <ul style="list-style-type: none"> <li>Due at closing</li> <li>0.75% of financed amount</li> </ul> <p>SMART Green Equipment Financing Program</p> <ul style="list-style-type: none"> <li>No fee</li> </ul>	<p><b>California Health Facilities Financing Authority (CHFFA)</b></p> <p>(\$300,000 maximum) or \$1,000</p> <ul style="list-style-type: none"> <li>Depends on category of applicant</li> </ul>	<p><b>California Pollution Control Financing Authority (CPCFA)</b></p> <p>applicants (small businesses are exempt)</p> <ul style="list-style-type: none"> <li>STO's Agent for Sale Fee: \$1,500 - \$8,000</li> </ul>	<p><b>California Municipal Finance Authority (CMFA)</b></p> <p>amount</p> <ul style="list-style-type: none"> <li>\$0-\$20 million: 18.75-25 basis points</li> <li>over \$20 million: \$27,500 + 7.5-12.5 basis points or \$50,000 + 10-12.5 basis points</li> <li>For government-sponsored or school district transactions: 5 basis points for all issuance amounts</li> </ul>	<p><b>California Enterprise Development Authority (CEDA)<sup>1</sup></b></p> <ul style="list-style-type: none"> <li>\$10-\$15m: \$25k + 0.15% of amount under \$10 million</li> <li>\$15-\$20 million: \$32.5k + 0.10% of amount under \$15 million</li> <li>\$20-\$95m: \$37.5k + 0.05% of amount under \$20 million</li> <li>Over \$95m: \$75,000</li> <li>Applicant responsible for all other costs (bond counsel, state agency approval, etc.)</li> <li>If applicant uses non-CEDA finance team, CEDA may charge fee to cover independent review</li> </ul>	<p><b>California Statewide Communities Development Authority (CSCDA)</b></p> <p>amount</p> <ul style="list-style-type: none"> <li>Up to \$20 million: 0.15-0.25% (minimum \$7,500-\$30,000)</li> <li>Over \$20 million: \$20,000-\$55,000 + .05%-0.125%</li> </ul> <p>Small Issue Public Benefit Program</p> <ul style="list-style-type: none"> <li>Up to \$2 million: 3.00%</li> <li>Over \$2 million: 2.00%</li> </ul>	<p><b>Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)</b></p> <ul style="list-style-type: none"> <li>Investment grade-rated but not credit enhanced: 10 basis points</li> <li>Non-rated: 15 basis points</li> <li>All closing fees subject to \$5,000 minimum, \$25,000 maximum</li> <li>\$10,000 minimum closing fee for private activity bonds issued for multifamily housing</li> </ul>
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<b>Small Business Assistance Fees</b>	No	California Educational Facilities Authority (CEFA)	California Health Facilities Financing Authority (CHFFA)	California Pollution Control Financing Authority (CPCFA)	California Municipal Finance Authority (CMFA)	California Enterprise Development Authority (CEDA) <sup>1</sup>	California Statewide Communities Development Authority (CSCDA)	Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)
<b>Resolution Extension Fees</b>	No	<ul style="list-style-type: none"> <li>▪ For extending an approved resolution</li> <li>▪ \$500</li> </ul>	No	<ul style="list-style-type: none"> <li>▪ Due at closing</li> <li>▪ Non-small business applicants only</li> <li>▪ 1% of face value of tax-exempt bonds issued, or less, pursuant to federal tax law and 0.003% of face value of any taxable bonds issued</li> </ul>	No	No	No	No

Source: CEFA Program Fees (on Web site); CHFFA application, Exhibit C; CPCFA application, p. iii; CMFA Schedule of Fees (on Web site); CCEDA Fee Schedule (obtained from CEDA); CSCDA Fee Schedule (on Web site); ABAG Fees (on Web site).

**ENDNOTES:**

<sup>1</sup> Per CEDA, CEDA fees are identical to I-Bank and very similar to CMFA and ABAG.

<sup>2</sup> Per CPCFA.

**APPENDIX D  
COMPARISON OF BOND-ISSUING AUTHORITY APPLICATIONS**

<p><b>Length and Type of Application<sup>1</sup></b></p>	<p><b>California Educational Facilities Authority (CEFA)</b></p> <ul style="list-style-type: none"> <li>▪ 9 pages</li> <li>▪ Download and print from Web site or fill out online and print</li> </ul>	<p><b>California Health Facilities Financing Authority (CHFFA)</b></p> <ul style="list-style-type: none"> <li>▪ 34 pages<sup>2</sup></li> <li>▪ Download and print from Web site or fill out online and print</li> </ul>	<p><b>California Pollution Control Financing Authority (CPCFA)</b></p> <ul style="list-style-type: none"> <li>▪ 28 pages</li> <li>▪ Download and print from Web site or fill out online and print</li> </ul>	<p><b>California Municipal Finance Authority (CMFA)</b></p> <ul style="list-style-type: none"> <li>▪ 5 pages</li> <li>▪ Download and print from Web site</li> </ul>	<p><b>California Enterprise Development Authority (CEDA)</b></p> <ul style="list-style-type: none"> <li>▪ 7 pages</li> <li>▪ Obtain from CEDA</li> </ul>	<p><b>California Statewide Communities Development Authority (CSCDA)</b></p> <ul style="list-style-type: none"> <li>▪ 7 pages</li> <li>▪ Fill out online</li> </ul>	<p><b>Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)</b></p> <ul style="list-style-type: none"> <li>▪ 2 pages (health care and ed app)</li> <li>▪ 3 pages initial application, 1 page final application, for multifamily housing</li> <li>▪ Download and print from Web site</li> </ul>
<p><b>Application Certification</b></p>	<p>Yes</p>	<p>Yes</p>	<p>Yes</p>	<p>Yes</p>	<p>Yes</p>	<p>No</p>	<p>No</p>
<p><b>Contact Information</b></p>	<ul style="list-style-type: none"> <li>▪ Name, address, etc.</li> <li>▪ Location of campuses for which financing is sought, if different from contact information</li> </ul>	<ul style="list-style-type: none"> <li>▪ Legal name, address, etc.</li> <li>▪ Principal contact person/title, CEO, and CFO</li> <li>▪ Contact information for each health facility with projects being financed if different from applicant</li> </ul>	<ul style="list-style-type: none"> <li>▪ Legal name of applicant</li> <li>▪ Type of business</li> <li>▪ Name, address, etc. for applicant and project contacts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Name, address, etc. of applicant/borrower</li> <li>▪ Business specifics if different</li> <li>▪ Guarantor, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Name, address, etc. of applicant/borrower</li> <li>▪ Current number of full-time employees, both in CA and company-wide</li> <li>▪ Type of business contact, business info, if different</li> </ul>	<ul style="list-style-type: none"> <li>▪ Name, address, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Legal name, address, etc. of borrower and for each facility with projects being financed, if different</li> <li>▪ Contact info for TEFRA hearing</li> <li>▪ Contact for status of required local approval/ actions/ funding, if different</li> </ul>

<b>Finance Team Information</b>	<ul style="list-style-type: none"> <li>Contact info for bond counsel, bond underwriter, credit enhancement provider, financial advisor/consultant, private placement agent and bond purchaser, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>Contact info for bond counsel, bond underwriter, credit enhancement provider, financial advisor/consultant, and private placement agent<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>Contact info for bond counsel, bond underwriter, credit enhancement provider, financial advisor/consultant, agent and bond purchaser, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>Credit enhancement provider</li> </ul>	<ul style="list-style-type: none"> <li>Financial advisor/underwriter contact information, if known</li> <li>Bond counsel contact information, if known</li> </ul>	<ul style="list-style-type: none"> <li>Contact information for bond counsel, underwriter/bond purchaser, financial advisor, rebate analyst</li> </ul>	<ul style="list-style-type: none"> <li>Contact information for investment banker or financial advisor, underwriter/lender(s), bond counsel, underwriter's counsel, borrower's legal counsel, trustee</li> </ul>
<b>Borrower Description</b>	<ul style="list-style-type: none"> <li>Details of bond structure, credit enhancement, etc.</li> <li>Debt service schedule</li> <li>Rating letter(s)</li> <li>Appendix A from Preliminary Official Statement is provided by underwriter counsel</li> </ul>	<ul style="list-style-type: none"> <li>Name of borrowing entity</li> <li>Type of nonprofit health facility</li> <li>Prior financings through CHFFA</li> </ul>	<ul style="list-style-type: none"> <li>Small business or not</li> <li>Business description</li> <li>Ownership/key officials (partners, stockholders, etc.)</li> <li>All affiliated companies' prior financings through CPCFA</li> </ul>	<ul style="list-style-type: none"> <li>Description of ownership entity and affiliates</li> <li>Description of developer's experience (including multifamily projects completed in last 5 years)<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>Description of the applicant</li> </ul>	<ul style="list-style-type: none"> <li>Name of borrowing entity</li> <li>Type of entity (i.e., nonprofit corporation)</li> <li>Date organized</li> <li>Number of multifamily housing projects completed in last 10 years</li> </ul>	<ul style="list-style-type: none"> <li>Brief description, including annual reports or marketing materials for applicant</li> </ul>

<p><b>Project Information</b></p>	<p><b>California Educational Facilities Authority (CEFA)</b></p> <ul style="list-style-type: none"> <li>▪ List and description of projects to be financed</li> <li>▪ Brief description of how eligible to apply per Education Code, Section 94110</li> <li>▪ Time and responsibility schedule</li> </ul>	<p><b>California Health Facilities Financing Authority (CHFFA)</b></p> <ul style="list-style-type: none"> <li>▪ Proposed financing and project calendar</li> <li>▪ Construction company or contractor</li> <li>▪ Any other lender or credit enhancer participating in project</li> <li>▪ Seller if acquiring real property</li> <li>▪ Financial institution holding debt to be refinanced, if applicable</li> <li>▪ Comprehensive project description</li> <li>▪ Purpose of project</li> </ul>	<p><b>California Pollution Control Financing Authority (CPCFA)</b></p> <ul style="list-style-type: none"> <li>▪ Project name</li> <li>▪ Strategic objective</li> <li>▪ Communities to be served by proposed facility</li> <li>▪ Real estate details</li> <li>▪ Anticipated timelines</li> </ul>	<p><b>California Municipal Finance Authority (CMFA)</b></p> <ul style="list-style-type: none"> <li>▪ Project name and description</li> <li>▪ Activity/products manufactured</li> <li>▪ Is application related to previously submitted project?</li> <li>▪ Project site location</li> <li>▪ Jobs to be created or retained at this site</li> <li>▪ Type of activity (housing, government, etc.)</li> <li>▪ Summary of project costs</li> </ul>	<p><b>California Enterprise Development Authority (CEDA)</b></p> <ul style="list-style-type: none"> <li>▪ Description of business activities that will occur at the location(s) to be funded</li> <li>▪ Brief project description</li> <li>▪ Site address, current number of full-time employees at site, full-time jobs to be created/retained at site</li> <li>▪ Type of activity (manufacturing, nonprofit, other)</li> </ul>	<p><b>California Statewide Communities Development Authority (CSCDA)</b></p> <ul style="list-style-type: none"> <li>▪ Project name, address, county</li> <li>▪ Is project located in unincorporated part of county?</li> <li>▪ Total number of units, market versus restricted</li> <li>▪ Lot size</li> <li>▪ Amenities</li> <li>▪ Type of construction</li> <li>▪ Contact information for city or county</li> <li>▪ Contact if available</li> </ul>	<p><b>Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)</b></p> <ul style="list-style-type: none"> <li>▪ Estimated timeline or schedule</li> <li>▪ Detailed uses of funds, including costs of issuance and construction</li> <li>▪ Copy of any available property appraisal report</li> <li>▪ Optional: photos, drawings, plan elevations, or site maps</li> <li>▪ For refunding projects, an official statement or other documentation for previous financing if issuer was other than ABAG</li> </ul>
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<p><b>Financial Information</b></p>	<p><b>California Educational Facilities Authority (CEFA)</b></p> <ul style="list-style-type: none"> <li>▪ Copies of consolidated audited financial statements for 3 most recent FYs</li> <li>▪ Brief discussion of "going concern" or any substantive year-to-year changes or trends in revenues, expenditures, assets, or liabilities for prior 3 years</li> <li>▪ Brief discussion of financial outlook for institution for next 3 years, including effects of proposed bond financing</li> </ul>	<p><b>California Health Facilities Financing Authority (CHFFA)</b></p> <ul style="list-style-type: none"> <li>▪ Income statement discussion—last 3 years audited and current interim financial statements, year-to-year changes</li> <li>▪ Balance sheet discussion—same as above</li> <li>▪ Financial outlook over next 3 years</li> <li>▪ Copy of feasibility study, if applicable</li> <li>▪ Proposed structure of new bonds</li> <li>▪ Refunding debt information, if applicable</li> <li>▪ Cost-saving analysis</li> </ul>	<p><b>California Pollution Control Financing Authority (CPCFA)</b></p> <ul style="list-style-type: none"> <li>▪ Type of sale</li> <li>▪ How will bonds be secured?</li> <li>▪ Anticipated loan term</li> <li>▪ Target date of financing based on project schedule</li> <li>▪ Variable or fixed rate on bonds</li> <li>▪ Will bond issue be used to refinance outstanding issue?</li> <li>▪ Describe credit enhancement structure or private placement transaction</li> <li>▪ Anticipated bond rating and date</li> <li>▪ Amount and proposed terms of any taxable bonds to be issued</li> </ul>	<p><b>California Municipal Finance Authority (CMFA)</b></p> <ul style="list-style-type: none"> <li>▪ Financial forecast of project</li> <li>▪ Income statement, balance sheet, cash flow summary</li> <li>▪ Maximum amount of bonds expected</li> <li>▪ Date of sale and scheduled maturity of bonds</li> <li>▪ Type of financing</li> <li>▪ Public or private offering?</li> <li>▪ Credit enhancement, expected rating, rating agency</li> </ul>	<p><b>California Enterprise Development Authority (CEDA)</b></p> <ul style="list-style-type: none"> <li>▪ Project budget and requested bond financing breakdown</li> <li>▪ Annual financial statements for the most recent 3 years</li> </ul>	<p><b>California Statewide Communities Development Authority (CSCDA)</b></p> <ul style="list-style-type: none"> <li>▪ Maturity (in years)</li> <li>▪ Interest rate mode (fixed versus variable)</li> <li>▪ Type of financing (public sale, private placement, or refunding)</li> <li>▪ Credit enhancement</li> <li>▪ Name of credit enhancement provider or private placement purchaser</li> <li>▪ Expected rating</li> <li>▪ Projected state allocation pool</li> <li>▪ Will the project use tax credit as a source of funding?</li> </ul>	<p><b>Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)</b></p> <ul style="list-style-type: none"> <li>▪ Proposed terms of financing</li> <li>▪ Amount of bonds requested</li> <li>▪ Financing structure</li> <li>▪ Number of years to maturity and interest rate mode</li> <li>▪ Credit enhancement, rating, reserves, and other applicable security provisions</li> <li>▪ Copy of any feasibility study/report and/or project financial forecasts</li> </ul>
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<p><b>Sources and Uses</b></p>	<p><b>California Educational Facilities Authority (CEFA)</b></p> <ul style="list-style-type: none"> <li>▪ Details of bond structure</li> <li>▪ Estimated sources and uses</li> <li>▪ Debt service schedule</li> </ul>	<p><b>California Health Facilities Financing Authority (CHFFA)</b></p> <ul style="list-style-type: none"> <li>▪ Estimated total project cost breakdown<sup>3</sup></li> <li>▪ Purpose of financing</li> <li>▪ Breakdown of fund sources and uses</li> </ul>	<p><b>California Pollution Control Financing Authority (CPCFA)</b></p> <ul style="list-style-type: none"> <li>▪ Estimated total project cost breakdown</li> <li>▪ How much to be paid from bond proceeds?</li> </ul>	<p><b>California Municipal Finance Authority (CMFA)</b></p> <ul style="list-style-type: none"> <li>▪ Forecasted sources and uses of funding</li> </ul>	<p><b>California Enterprise Development Authority (CEDA)</b></p> <p>No</p>	<p><b>California Statewide Communities Development Authority (CSCDA)</b></p> <ul style="list-style-type: none"> <li>▪ Breakdown of fund sources and uses</li> </ul>	<p><b>Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)</b></p> <ul style="list-style-type: none"> <li>▪ Summarize sources and uses of funds</li> <li>▪ Include description of all funding sources</li> <li>▪ Copies of commitment letters for all sources of funding</li> </ul>
<p><b>Environmental Benefits Detail</b></p>	<ul style="list-style-type: none"> <li>▪ List of environmental benefits associated with proposed projects</li> </ul>	<p>No</p>	<ul style="list-style-type: none"> <li>▪ Describe facility to be built/renovated; green building?</li> <li>▪ Other environmental benefits</li> </ul>	<p>No</p>	<p>No</p>	<p>No</p>	<p>No</p>
<p><b>CEQA/Other Environmental Detail</b></p>	<ul style="list-style-type: none"> <li>▪ CEQA checklist and documents</li> <li>▪ CEQA review (Exhibit C of application)</li> </ul>	<ul style="list-style-type: none"> <li>▪ CEQA compliance documents<sup>3</sup></li> <li>▪ CEQA review</li> </ul>	<ul style="list-style-type: none"> <li>▪ Environmental compliance and permits</li> <li>▪ Documentation of CEQA compliance</li> <li>▪ Describe new equipment/vehicles to be installed or purchased; meet Air Resources Board standards?</li> <li>▪ Describe pollution control and/or waste diversion</li> </ul>	<p>No</p>	<p>No</p>	<p>No</p>	<p>No</p>

<p><b>California Educational Facilities Authority (CEFA)</b></p>	<ul style="list-style-type: none"> <li>▪ Description of public benefit (tab 2 of application)<sup>5</sup></li> </ul>	<p><b>California Health Facilities Financing Authority (CHFFA)</b></p>	<ul style="list-style-type: none"> <li>▪ Community service certification</li> <li>▪ Pass-through savings</li> </ul>	<p><b>California Pollution Control Financing Authority (CPCFA)</b></p>	<ul style="list-style-type: none"> <li>▪ Consumer cost savings or efficiencies</li> <li>▪ Other public benefits<sup>6</sup></li> </ul>	<p><b>California Municipal Finance Authority (CMFA)</b></p>	<ul style="list-style-type: none"> <li>▪ Public benefit associated with project</li> <li>▪ Percentage of units and area median income in low-income housing, if applicable</li> </ul>	<p><b>California Enterprise Development Authority (CEDA)</b></p>	<ul style="list-style-type: none"> <li>▪ Public benefits associated with project</li> </ul>	<p><b>California Statewide Communities Development Authority (CSCDA)</b></p>	<ul style="list-style-type: none"> <li>▪ Percentage of units in low-income housing, percentage of area median income for low-income housing units (Housing application)</li> <li>▪ Employment creation and any other benefits (Industrial Development Bond/Manufacturing application)</li> <li>▪ Volume of solid waste diverted, recyclables recovered, source of solid waste/recyclable, any other benefits (Exempt Facility/Solid Waste application)</li> </ul>	<p><b>Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)</b></p>	<ul style="list-style-type: none"> <li>▪ Discussion of public benefit provided by the project</li> </ul>
<p><b>Public Benefit Summary</b></p>													



<b>Legal/Other Issues</b>	<b>California Educational Facilities Authority (CEFA)</b>	<b>California Health Facilities Financing Authority (CHFFA)</b>	<b>California Pollution Control Financing Authority (CPCFA)</b>	<b>California Municipal Finance Authority (CMFA)</b>	<b>California Enterprise Development Authority (CEDA)</b>	<b>California Statewide Communities Development Authority (CSCDA)</b>	<b>Association of Bay Area Governments' Finance Authority for Nonprofit Corporations (ABAG)</b>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Legal status questionnaire (criminal/civil disclosure)</li> <li>▪ Religious certification(s)<sup>8</sup></li> <li>▪ Copies of accreditation letters from Western Association of Schools and Colleges, State Bar Examiners, or appropriate entity</li> <li>▪ Copies of ratings letters</li> </ul>	<ul style="list-style-type: none"> <li>▪ Legal status questionnaire (criminal/civil disclosure)</li> <li>▪ General discussion of contracting with Medi-Cal, Medicare, significant private payers</li> <li>▪ Type(s) of licensure of health facility(ies) to receive funding</li> <li>▪ Religious affiliation</li> <li>▪ Seismic upgrades, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Legal status of applicant and project sponsor</li> <li>▪ Certification of small business</li> <li>▪ Breakdown of companies affiliated with borrower</li> <li>▪ Discretionary permit assessment worksheet</li> </ul>	No <sup>7</sup>	No <sup>7</sup>	<ul style="list-style-type: none"> <li>▪ Legal status of project sponsor (attachment to application)</li> </ul>	No <sup>7</sup>
				No	No	No	<ul style="list-style-type: none"> <li>▪ TEFRA hearing date, if already scheduled</li> <li>▪ Summarize status of all required local approval and actions</li> </ul>

Sources: CEFA Bond Financing Program Application, CHFFA Bond Financing Program Application, CPCFA Application, CMFA application + two-page Housing Application Addendum, CEDA Project Pre-Application for Bond Financing, CSCDA Housing online application, and ABAG Application for Health Care and Education Bond Financing, unless otherwise noted.

**ENDNOTES**

- 1 The STO applications are longer primarily because they contain a great deal of explanatory supporting material.
- 2 Per CHFFA, the application is currently being revised.
- 3 Per CHFFA.
- 4 This information is requested only in the Housing Application Addendum.

- <sup>5</sup> Per CEFA, they do due diligence but public benefit is also implicit. The authorizing statute (Education Code, Section 94110) specifically states that borrowers must be a nonprofit to qualify; by definition, a 501(c)(3) is a public benefit corporation. In addition, borrowers must be funding an educational resource or facility (as defined by IRS guidelines) in order to qualify.
- <sup>6</sup> In addition, according to CPCFA, they review public benefit in the Final Resolution stage before the project is voted on for allocation by CDLAC. CDLAC procedures include a section on public benefit.
- <sup>7</sup> Application does not include a legal questionnaire; however, a legal review is conducted by the authority.
- <sup>8</sup> Religious discrimination on entry or in classes is prohibited, pursuant to Education Code, Section 94110(h).



**BILL LOCKYER**  
TREASURER  
STATE OF CALIFORNIA

**Conduit Financing: Transparency and Accountability  
Senate Committee on Local Government  
Informational Hearing  
February 6, 2008**

**Testimony of State Treasurer's Office  
Provided by Deputy Treasurer Patricia Wynne**

**Thank you, Madame Chairwoman.**

**We believe this is an important hearing on an important issue. It's been quite awhile since the Legislature surveyed the field of conduit financing authorities and how they operate. Meanwhile, California has seen a proliferation of joint powers authorities issuing tax-exempt bond financing.**

**We appreciate the opportunity to testify, and we hope the Committee finds our perspectives helpful.**

**It's important to start with the basics. What is the public policy foundation of tax-exempt financing? It's pretty simple, really. It boils down to a tradeoff. The Treasury – in this case the State and Federal Treasury – receives less money from certain private activities. In return those tax-favored private parties are expected to provide a benefit to the public of at least equal value.**

California no longer has uniform, statewide policies to govern determinations of the public benefit derived in exchange for tax-exempt bond financing. We used to have such uniform policies, when State Authorities administered by the State Treasurer's Office or other agencies were primarily or exclusively the tax-exempt issuers. Now, with the increase in the number of conduit-issuer JPAs, and their ability to offer services with fewer policy and procedural restrictions on borrowers, the State no longer has a uniform public benefit standard. It only has a uniform tax loss to the State and Federal Treasury.

Additionally, as the SOR's excellent report makes clear, the State and local conduit issuers operate under different legislative and regulatory standards. They have different levels of commitment to transparency, public accountability and financial accountability. And they have different ideas about costs, fees and public benefit.

The combination of differing processes, and uneven legislative and regulatory mandates, has produced an uneven, disjointed structure for tax-exempt financing. These differences raise significant concerns about how the public is being served, whether higher and more uniform standards are needed, and exactly who is receiving financial benefit (and how much) from the torrent of money flowing through all these agencies.

The conduit financing Authorities administered by the Treasurer's Office include: the California Health Facilities Financing Authority, the California Educational Facilities Authority and the California Pollution Control Financing Authority.

**They make decisions, from a statewide perspective, on tax-exempt bond financing for a variety of nonprofit and private projects.**

**Eligible projects include health care, college facilities, waste disposal and recycling, among other activities deemed by state and federal law to provide a public benefit. The JPAs we are discussing today issue bonds for the same types of activities.**

**The Treasurer-administered Authorities operate under accountability, transparency and public access rules followed by most State government entities:**

**They provide 10-days notice of public hearings with agendas attached; their hearings are open to the public; both current and past staff reports are available to the public and posted on the web; future meeting dates are posted well in advance; their minutes are approved and posted on the web; their fees are public information; their budgets are included in every board meeting and available for all to see; and their annual reports are posted on the web.**

**One of the most significant features of these Authorities is that when they build an adequate reserve in their accounts, they ask the Legislature to grant authority to reinvest some of those reserves back into community benefit programs.**

**It's important to note, these community benefit programs all have been approved by the Legislature to supplement the State Authorities' ability to offer low-cost financing to worthy projects.**

**One program funded in this manner is the HELP II program, administered by CHFFA. HELP II offers 3% loans to nonprofit primary health clinics to make capital improvements.**

**Another example is the small business loan program – California Capital Access Program (CalCAP) – administered by CPCFA. This program helps financial institutions make loans to small businesses that fall just outside of most banks' conventional underwriting standards.**

**The remainder of my testimony will focus on three of the four JPAs covered in the SOR's analysis: the California Statewide Communities Development Authority (CSCDA); the California Municipal Finance Authority (CMFA); and the California Economic Development Authority (CEDA). The operations of the fourth – the Association of Bay Area Governments Finance Authority for Nonprofit Corporations – raise few of the questions and concerns covered by the SOR's review, and our own continuing review of the conduit-issuer "marketplace."**

**In 2007, CSCDA, CMFA and CEDA issued a combined total of more than \$4.78 billion in tax-exempt bonds. CSCDA alone issued more than \$4.2 billion. Why did so many borrowers go to CSCDA to obtain tax-exempt financing? CSCDA might say the answer is that applicants find CSCDA more customer friendly than the STO-administered Authorities. They might say the STO Authorities have succumbed to red-tape disease.**

**But there's an alternative explanation. Maybe borrowers know that if they go to CSCDA they can gain tax-advantaged financing with far less public scrutiny and accountability.**

**And maybe the procedural rules followed by the STO Authorities aren't red tape, but valuable safeguards that protect public access and financial accountability, and ensure community benefit. These issues are at the heart of today's hearing.**

### **Operations and governance**

**CSCDA and CMFA contract exclusively with private individuals and/or companies formed for the sole or principal purpose of performing staff/consultant services for these JPAs. These services include making recommendations to the JPA governing boards on projects. Under the contractual arrangements, the firms receive a percentage of the fees generated by each project approved for financing.**

**These contracts give the sole-source vendors – who make recommendations on projects – a direct, material financial stake in the JPAs' decisions on projects. The annual statements of economic interest for the principals of some of these firms indicate the significance of the financial interest they have in the activities of these JPAs.**

The arrangements, we believe, raise serious public policy questions. How do they protect the public interest? How do they comport with conflict-of-interest laws, especially in the way the arrangements are actually carried out? How do CSCDA and CMFA make decisions to set fee schedules?

To what extent do the private vendors participate in decisions to set fee schedules which materially affect their financial interests? Exactly how much of the project fee revenues generated by CSCDA and CMFA have gone to these private firms? To what extent has the public-benefit purpose of these JPAs morphed into revenue-generation for contractors and vendors, including, in the case of CSCDA, bond counsel?

One additional point on governance – JPAs are public agencies comprised of public entities. A requirement that at least a majority of JPAs' governing boards be comprised of representatives of public agencies would seem appropriate. In the case of CEDA, however, representatives of private businesses or nonprofit corporations comprise the majority of the JPA's governing board (four out of seven).

## Process

CSCDA conducts almost all of its regular business – including approval of project financing – at “special” meetings. The extent to which CMFA and CEDA follow this practice is unclear. The Brown Act requires that the public receive only a one-day notice of special meetings, compared to three days for regular meetings.



So, while it may grease the skids and speed up the approval of a particular project, the use of special meetings substantially reduces the public's ability to know about, and participate in, JPA meetings.

You may hear from the JPAs that local participation, including public participation, occurs at what are called TEFRA hearings. These hearings, required by federal tax law, typically are noticed in the following manner. A notice describing the project and providing details about the hearing is published two weeks in advance of the TEFRA hearing in one newspaper in the local jurisdiction where the project will be built. This notice typically appears in the portion of that paper dedicated to public notices. In other words, where most readers of the paper do not go.

On the other hand, the Bagley-Keene Open Meeting Act requires that agendas and notices of meetings for the State conduit financing authorities be mailed out to all individuals who have requested to be placed on the mailing list for such notices. Further, the agendas are posted on the Authorities' websites a minimum of 10 days before the hearing.

Also in contrast to the State Authorities, none of the three JPAs post on their web sites staff reports on agenda items, or meeting minutes. This lack of information, especially the absence of staff reports, deprives the public of the ability to see what the "public benefit" analysis looks like in each transaction. In the SOR report, each of these authorities claim that they do an analysis of public benefit. However we have yet to find any documentation which supports that claim or allows the public to examine that review.

## **Fiscal accountability and oversight**

Normal review and analysis of revenues and expenditures is particularly difficult when examining the activities of these JPAs. Unlike entities at all levels of government in California, neither CSCDA nor CMFA have formalized, annual budgets.

Additionally, CSCDA has not performed annual financial audits of its operations, which the Joint Exercise of Powers Act generally requires. In explaining the lack of audited financial statements – and statutorily required annual financial reports to the State Controller – CSCDA argues that as a conduit issuer, it has no revenues, expenditures, assets or liabilities.

We question whether that is a credible argument for CSCDA, or any of these conduit issuers, to make. Clearly, they approve, charge and collect fees on the bond transactions they approve – including more than \$4.78 billion approved in 2007 alone. These fees belong to, and should be allocated by, the public agency. Instead, they appear to be treated as the property of their contractors.

In fact, these JPAs' operating agreements and their contracts with consultants are based on the concept that the JPAs do have fee revenue, which is then spent or allocated in various ways. At this point, however, with no budgets and, in the case of CSCDA, no audited financial statements, there is no way to determine how much money goes where.

Exactly how much fee revenue have these JPAs collected? Exactly how did they distribute their revenues? And what financial controls do they have in place to ensure they comply with the statutory requirement that they strictly account for all their funds? These are important questions.

### **Conditions on financing**

The SOR analysis points out two specific conditions placed on the State Authority financings that do not apply to the JPAs. The first is what we call the “pass-through” requirement imposed on CHFFA.

Under this provision, the CHFFA board is expected to require the nonprofit health facility borrower to “pass through” to its patients (in a manner CHFFA deems satisfactory) all or some portion of the actual dollar savings it derives from the tax-exempt financing. This requirement does not apply to the JPAs.

As CHFFA has tried to live up to the obligation to understand, interpret and enforce this statute, and the legislative intent behind it, many hospitals are finding it more attractive to use an entity other than CHFFA to complete their financings. When they do, they evade the reach of a specific statute that the Legislature intended to cover all of California’s tax-exempt health care financing transactions. At the same time, they take advantage of a new opportunity to submit their proposals to a different, and we would say a less rigorous, level of scrutiny.

The second condition imposed on the State Authorities is the new requirement to ensure that all CEQA documents are completed before any transaction is approved by the board.

The State Treasurer is working with several legislators to make sure all conduit-issuers are subject to basically the same standards of review, accountability, taxpayer protection and public benefit.

Let me conclude by saying we thank the SOR for its thorough and valuable work. And we thank the Committee for starting an important examination that affects communities across our state. There is more to learn, and we hope that your Committee will complete a thorough review, including a financial analysis, of the activities of conduit issuers, including our own.

The people of California, and the residents of local communities, deserve answers to the questions raised by the SOR and in this hearing. It's important that the Legislature and relevant State agencies start getting those answers.

Thank you.



**JOHN CHIANG**  
California State Controller

**Conduit Financing: Transparency and Accountability**  
**Senate Committee on Local Government**  
**Informational Hearing**  
**February 6, 2008**

**Background on Special Districts Reporting Requirements**

- Special districts report annually as required by Government Code section 12463 and 53890. (Attachment #1, pages 1 - 7)
- Special districts may be formed pursuant to more than 150 separate statutes, each granting specific powers.
- Financial reports are presented by activities or functions performed, such as fire protection, water, financing or construction of facilities, and others.
- Reporting forms and requirements are established by the State Controller's Office in consultation with the Controller's Local Government Advisory Committee, pursuant to Government Code section 12463.1(a). This committee is comprised of county, city, and special district officials, and is designed to obtain input from the locals, as modifications are made, to reporting requirements and associated reports. (Attachment #1, page 2)
- Over the years these reports have been modified and expanded as needed to encompass new or unique report requirements or interests. For instance, in the early 1980's the need to segregate redevelopment agencies to a separate report gave rise to the Community Redevelopment Agencies Annual Report. An effort is currently underway to update the existing reporting format to one that is more consistent with current accounting standards and pronouncements.
- Currently over 4,700 special districts report to the State Controller's Office.
- What are the filing requirements for special districts?
  - File a Special Districts Financial Transactions Report annually within 110 days of the close of the district's fiscal year. (GC 12463)
  - File an independent audit annually, generally within 12 months of the close of the district's fiscal year. (GC 26909 and GC 6505) (Attachment #1, page 7)

- What are the enforcement provisions?
  - Failure to file the Financial Transactions Report results in a forfeiture of up to \$5,000. (GC 53895) (Attachment #1, page 7)
  - There are no enforcement provisions for failure to file an audit.
  - Recent history of forfeiture enforcement follows:

	2004-05		2005-06		2006-07	
	Total Districts	JPAs Only	Total Districts	JPAs Only	Total Districts	JPAs Only
Number Invoiced	59	5	115	18	42	6
Amount Invoiced	\$185,500	\$21,000	\$359,500	\$51,500	\$143,500	\$26,000
Amounts Paid	\$49,500	\$5,000	\$107,500	\$16,000	In Process	In Process

- What information do the Financial Transaction Reports include?
  - General financial statements, to include assets, liabilities, revenues, expenditures, and an itemization of the districts' long-term debt, on forms created specifically for enterprise activities, and generically for non-enterprise activities. These statements reflect the services provided by the districts.
  - Accounting staff looking for reporting consistency, reasonableness, and compliance with the SCO's reporting standards reviews the data submitted.

## History of Joint Powers Agency Reporting

- Prior to 2008, there were no legal requirements for the SCO to be notified of a JPA's existence. Thus, staff started research several years ago on the number of JPAs in existence that do not report to the SCO. This research discovered that, according to the Secretary of State's Office, more than 1,890 JPAs have been formed since 1973. Many of these 1,890 may no longer function or exist, as the Secretary of State's records do not reflect the current status of each JPA's activities.
- However, the SCO has established over 950 JPAs in our reporting system. Of these, we do know that over 250 have been dissolved since their inception.
- Interestingly, SCO research discovered that 188 JPAs currently reporting to the SCO had not filed with the Secretary of State, or were not identified by the same name on the Secretary of State's listing of JPAs. Basically, this indicates a potential that there are even more JPAs in existence than any individual state office is aware of.
- As part of Controller Chiang's solution to this problem, he requested, and this committee took action to amend, the Joint Powers law to require copies of all new JPA filings be sent to the SCO by the Secretary of State's Office. The amendment was included in the 2007 Omnibus Bill, Senate Bill 144, Chapter 343. The first group of filings are due this week from the Secretary of State's Office.

## Reporting by the Four Conduit Entities in Question

- In 2005 a determination was made, based on information submitted by the California Statewide Enterprise Development Authority (CSCDA), that this entity was a conduit financing entity with no assets, liabilities, revenues, or expenditures. A separate filing requirement was created for this entity, which includes a declaration under penalty of perjury that the CSCDA is a pure financing conduit with no revenues, expenditures, assets, or liabilities. This document has been filed annually for the past 3 years. (Attachment #2) SCO has not received an audit from this entity. However, Controller Chiang has directed a change in policy that will be discussed in the next section.
  
- The California Municipal Finance Authority (formed in 2004) and the California Enterprise Development Authority (formed in 2006) have not been reporting to the SCO. However, Controller Chiang has directed a change in policy that will be discussed in the next section.
  
- The Association of Bay Area Governments (ABAG) is currently reporting as a Transportation Planning Agency, which is ABAG's primary function. The SCO has received annual Financial Transactions Reports from ABAG, as well as audited financial statements. Interestingly, ABAG has included its conduit debt issuances in the SCO Financial Transactions Report. However, in 1990 ABAG created the ABAG Finance Authority for Nonprofit Corporations (Authority) to "assist eligible non-profit entities and other borrowers in obtaining tax-exempt financing." It is, in fact, this Authority that is functioning as the conduit financing authority, with ABAG designated as the administrative agency. (Attachment #3)

## SCO Concerns

- Government Code sections 6505 through 6505.5 call for strict accountability of all funds, annual audits of special districts under Government Code section 26909, and regular reporting of all receipts and disbursements. The SCO notes that the Joint Powers Agreements for ABAG, CSCDA, and California Municipal Finance Authority all call for the filing of financials and audits. However, CSCDA continues to maintain that, even though more than \$4 billion in bonds were issued in the name of CSCDA during 2007, with associated fees being charged, the district continues to contend that CSCDA has no assets, liabilities, revenues, or expenditures.
  
- As local government financing and activities have become more complex, the existing reporting system and format has not kept pace, primarily due to lack of resources and funding for system modifications. For instance, fire protection, cemetery, land reclamation, self-insurance, and financing activities all utilize the same set of reporting forms.

## **Current SCO Activities**

- Controller Chiang believes that any public entity that receives or conveys a benefit at taxpayer expense should make their financial transactions transparent and be held accountable. SB 144, chaptered in 2007, reinforces our efforts to build transparency
- The SCO is in the process of developing a new set of forms and instructions designed specifically for all conduit type JPAs to use in filing annual reports. We are maintaining contact with the STO in this endeavor, and will shortly be submitting the draft forms and instructions to the Local Government Advisory Committee, a process required by Government Code Section 12463.1.
- We expect the first comprehensive reports to be completed for the 2007-08 reporting year.
- The SCO has reached out to key policy makers by conducting surveys and focus groups to determine the value of our reports. Based on the feedback from these surveys, as well as the information from the advisory committees, the SCO is instituting various changes to maximize the usefulness of our reports.

## **A Final Note on Conduit JPAs**

- The Secretary of State's list of JPAs is extensive and will take time to review thoroughly. For example, over 600 JPAs include the word "Financing" or "Finance" in their name. (Attachment #4) CSCDA does not, so names alone indicate very little. SCO will continue work on improving transparency and accountability of conduit JPAs. An example of the current Secretary of State filing form for JPAs is attached (Attachment #5).

## **Legislative Action Items for the Committee's Consideration**

- Establish forfeiture provisions for failure to file audits.
- Enhance existing forfeiture provisions for non-compliance in financial reporting.
- Enhance the current Joint Powers filing requirements with the Secretary of State's Office. Possible enhancements would include a copy of the Joint Powers Agreement, with all signatures of participants; requiring a more complete description of the intended activities and nature of the business for the JPA.
- When the State's financial condition improves, provide additional audit staff within the State Controller's Office to conduct audit samplings of special districts for quality assurance.



- When the state's financial condition improves, the Committee may want to consider the need for additional resources and system changes to develop the custom reporting guidelines and requirements unique to these JPAs as opposed to a "one size fits all" approach.

# **Attachment 1**

Excerpts From the Government Code

**12463.** (a) The Controller shall compile and publish reports of the financial transactions of each county, city, and special district, respectively, within this state, together with any other matter he or she deems of public interest. The reports shall include the appropriations limits and the total annual appropriations subject to limitation of the counties, cities, and special districts. The reports to the Controller shall be made in the time, form, and manner prescribed by the Controller.

(b) Effective January 1, 2005, the Controller shall compile and publish reports of the financial transactions of each county, city, and special district pursuant to subdivision (a) on or before August 1, September 1, and October 1 respectively, of each year following the end of the annual reporting period. The Controller shall make data collected pursuant to this subdivision available upon request to the Legislature and its agents, on or before April 1 of each year.

(c) The Controller shall annually publish reports of the financial transactions of each school district within this state, together with any other matter he or she deems of public interest. The reports shall include the appropriations limit and the total annual appropriations subject to limitation of the school district. The reports to the Controller shall be made in the time, form, and manner prescribed by the Controller.

(d) As used in this section, the following terms have the following meanings:

(1) "School district" means a school district as defined in Section 80 of the Education Code.

(2) "Special district" means any of the following:

(A) A special district as defined in Section 95 of the Revenue and Taxation Code.

(B) A commission provided for by a joint powers agreement pursuant to Chapter 5 (commencing with 6500) of Division 7 of Title 1.

(C) A nonprofit corporation that is any of the following:

(i) Was formed in accordance with the provisions of a joint powers agreement to carry out functions specified in the agreement.

(ii) Issued bonds, the interest on which is exempt from federal income taxes, for the purpose of purchasing land as a site for, or purchasing or constructing, a building, stadium, or other facility, that is subject to a lease or agreement with a local public entity.

(iii) Is wholly owned by a public agency.

## Excerpts From the Government Code

**12463.1.** (a) The Controller shall appoint an advisory committee consisting of seven local governmental officers to assist him or her in developing complete and adequate records.

(b) Whenever, in the opinion of the advisory committee and the Controller, the public welfare demands that the reports of the financial transactions of a district other than a school district be published, the Controller shall notify the district that reports of its financial transactions are required to be furnished to him or her pursuant to Article 9 (commencing with Section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5. A public entity, agency, board, transportation planning agency designated by the Secretary of the Business, Transportation, and Housing Agency pursuant to Section 29532, or commission provided for by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1, and a nonprofit corporation as defined in subdivision (d), shall be deemed a district within the meaning of this section. The Controller shall compile and publish these reports pursuant to Section 12463.

**53890.** As used in this article, "local agency" means any city, county, any district, and any community redevelopment agency required to furnish financial reports pursuant to Section 12463.1 or 12463.3.

**53891.** The officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the next preceding fiscal year. The report shall be furnished within 90 days after the close of each fiscal year and shall be in the form required by the Controller. If the report is filed in electronic format as prescribed by the Controller, the report shall be furnished within 110 days after the close of each fiscal year. However, in the case of local agencies filing annual financial materials with the California Health Facilities Commission or any successor thereto pursuant to Section 441.18 of the Health and Safety Code, the audited report shall be furnished within 120 days after the close of each fiscal year. Further, in the case of community redevelopment agencies filing annual reports with the Controller pursuant to Section 33080 of the Health and Safety Code, the report shall be furnished within six months of the end of the agency's fiscal year.

The Controller shall prescribe uniform accounting and reporting procedures which shall be applicable to all local agencies except cities, counties, and school districts, and except for local agencies which substantially follow a system of accounting prescribed by the Public Utilities Commission of the State of California or the Federal

## Excerpts From the Government Code

Power Commission. The procedures shall be adopted under the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. The Controller shall prescribe the procedures only after consultation with and approval of a local governmental advisory committee established pursuant to Section 12463.1. Approval of the procedures shall be by majority vote of the members present at a meeting of the committee called by the chairperson thereof.

**53891.1.** In lieu of the report required in Section 53891, hospital districts may submit to the Controller copies of any annual financial reports which the hospitals are required to submit to the California Health Facilities Commission or any portion thereof acceptable to the Controller, together with any supplemental report containing additional information as required by the Controller.

**53892.** The report shall state all of the following:

(a) The aggregate amount of taxes levied and assessed against the taxable property in the local agency, which became due and payable during the next preceding fiscal year.

(b) The aggregate amount of taxes levied and assessed against this property collected by or for the local agency during the fiscal year.

(c) The aggregate income during the preceding fiscal year, a general statement of the sources of the income, and the amount received from each source.

(d) The total expenditures made by administrative departments during the preceding fiscal year, a general statement of the purposes of the expenditures, and the amounts expended by each department.

(e) The assessed valuation of all of the taxable property in the local agency as set forth on the assessment roll of the local agency equalized for the fiscal year, or, if the officers of the county in which the city or district is situated have collected for the city or district the general taxes levied by the city or district for the fiscal year, the assessed valuation of all taxable property in the city or district as set forth on the assessment rolls for the county equalized for the fiscal year.

(f) The information required by Section 53892.2, as of the end of the fiscal year.

(g) The approximate population at the close of the fiscal year and the population as shown by the last regular federal census.

(h) Other information that the Controller requires.

(i) Any other matters necessary to complete and keep current the statistical information on assessments, revenues and taxation, collected and compiled by any Senate or Assembly committee on revenue and taxation.

Excerpts From the Government Code

(j) In the case of cities, the information required by Section 53892.3.

(k) In the case of community redevelopment agencies, the information required by subdivisions (a), (b), and (g) of Section 33080.1 of the Health and Safety Code. The Controller shall forward the information required pursuant to subdivision (c) of Section 33080.1 of the Health and Safety Code to the Department of Housing and Community Development for publication pursuant to Section 33080.6 of that code.

**53892.1.** For the purpose of permitting the compilation and publication of annual reports of the financial transactions of school districts by the Controller, the Superintendent of Public Instruction shall furnish to the Controller, not later than six months following the close of each fiscal year, such data and other matters as are required by this article by the Controller. The Superintendent of Public Instruction shall derive the data and other matters required for the purposes of this article by the Controller from reports furnished by school districts or by county officials to the Superintendent of Public Instruction as provided by law. No school district or county superintendent of schools shall be required to furnish separate reports to the Controller by the provisions of this article. The Superintendent of Public Instruction shall furnish average daily attendance or enrollment data in lieu of the general population data required of counties and other municipal corporations by this article. The Superintendent of Public Instruction shall add to the report forms furnished by him such items or such other matters as may be agreed by the Superintendent of Public Instruction and the Controller to be needed for the purposes of this article.

**53892.2.** Pursuant to Section 53892, the report shall also contain the following information:

(a) For all issues of general obligation bonds, revenue bonds, improvement district bonds, limited obligation bonds, and special assessment bonds state:

- (1) The purpose of the bonds.
- (2) The amount of issued and unmatured bonds.
- (3) The amount of any delinquent principal and interest payments which are due upon issued and matured bonds.
- (4) The amount of authorized but unissued bonds.

(b) For each issue of general obligation bonds and improvement district bonds where the revenues of any revenue-producing enterprise have been pledged as additional security for such bonds, state the nature and extent of such pledge.

(c) For each issue of revenue bonds where any income, other than the revenues of the enterprise financed by said revenue bonds, has

## Excerpts From the Government Code

been pledged as additional security for said bonds, state the nature and extent of such pledge.

(d) For each issue of improvement district bonds state the assessed valuation of all taxable property in such improvement district, determined in the manner provided in subdivision (e) of Section 53892.

(e) For each issue of limited obligation bonds, state the nature and source of taxes from which principal and interest is payable.

(f) For special assessment bonds which are payable, directly or indirectly, from any source other than special assessments, state the nature and extent of such sources.

(g) For all lease-obligations state:

(1) The purpose of the lease-obligation.

(2) The nature of the lease-obligation, whether by lease, contract, or otherwise, and the parties thereto.

(3) The person, partnership, corporation, legal entity or governmental agency providing any moneys expended for making any acquisition or improvement authorized or required for the purpose of such lease-obligation.

(4) The total future rentals or other payments which would be required if the local agency completed the unexpired term of the lease-obligation.

(h) For construction financed by the United States or the State of California pursuant to a contract with, or a loan or grant to, the local agency:

(1) The date or purpose of the contract or grant.

(2) The maximum repayment obligation under the contract, and the amount expended by the United States or the State of California to date.

(3) The estimated payment schedule.

(4) The payments to date and delinquencies, if any.

The following definitions shall apply to this section:

"Bonds" means all bonds, warrants, notes or other evidences of indebtedness or liability for which the reporting local agency is liable for payment of principal and interest thereon.

"General obligation bonds" means bonds payable, both principal and interest, from the proceeds of ad valorem taxes or ad valorem assessments which may be levied within the entire territory of the local agency, without limitation as to rate or amount, upon all property subject to taxation or assessment.

"Revenue bonds" means bonds issued by a local agency payable, both principal and interest, from the revenues of a revenue-producing enterprise.

"Improvement district bonds" means bonds payable, both principal and interest, from the proceeds of ad valorem taxes or ad valorem assessments which may be levied within a fixed and defined portion or

## Excerpts From the Government Code

portions of the local agency, without limitation as to rate or amount, upon all property subject to taxation or assessment.

"Limited obligation bonds" means any bonds payable, both principal and interest, from any taxes, other than taxes or assessments levied upon property.

"Special assessment bonds" means any bonds issued to represent unpaid assessments upon lands in an area fixed and defined by the local agency, the lands within such area being specially benefited by and assessed or to be assessed to pay the costs and expenses of a public acquisition or improvement.

"Lease-obligations" means (i) leases for a term or more than 10 years under which the local agency is the lessee and has the right, by option or otherwise, to acquire ownership of the property leased or (ii) contracts whereby a local agency is obligated to make installment payments for a period of more than 10 years for an acquisition or improvement, such payments being made from a special fund, provided, that revenue bonds or any contract, indenture, resolution or ordinance providing for the issuance of revenue bonds shall not be deemed a lease-obligation.

The information required by this section shall be submitted in such form and detail as may be prescribed by the uniform reporting procedures adopted pursuant to Section 53891.

**53892.3.** Pursuant to Section 53892, the report shall, in the case of cities, also contain the following information:

(a) Total expenditures made during the next preceding fiscal year for the construction of public projects other than streets and highways.

(b) The total amount expended pursuant to competitive bidding during the next preceding fiscal year for the construction of public projects other than streets and highways.

The Legislature declares that in enacting this section there is no express or implied obligation on the part of cities to include costs of administrative overhead or any costs other than those directly expended for construction of public projects.

**53893.** Upon the completion of the report the legislative body shall cause copies of the report to be prepared and the clerk of the legislative body shall furnish a copy to any person requesting it. A charge not to exceed twenty-five cents (\$0.25) for each copy may be imposed.

**53894.** An officer of a local agency wilfully and knowingly rendering a false report is guilty of a misdemeanor.



Excerpts From the Government Code

**53895.** (a) An officer of a local agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:

(1) One thousand dollars (\$1,000), in the case of a local agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Two thousand five hundred dollars (\$2,500) in the case of a local agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Five thousand dollars (\$5,000) in the case of a local agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(b) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.

**26909.** (a) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special purpose district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(b) Where an audit of a district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(c) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special purpose district pursuant to this section shall be borne by the district and shall be

## Excerpts From the Government Code

a charge against any unencumbered funds of the district available for the purpose.

(d) For joint districts lying within two or more counties, the above provisions shall apply to the auditor of the county in which the treasury is located.

(e) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller, or ex officio county controller.

(f) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit with a biennial audit covering a two-year period or, if the district's annual budget does not exceed an amount specified by the board of supervisors, an audit covering a five-year period.

Notwithstanding the foregoing provisions of this section to the contrary, districts shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

(g) A board of supervisors may substitute a financial review in accordance with definitions promulgated by the United States General Accounting Office for the audit of a special district as required by this section, provided that all of the following conditions are met:

(1) The board of supervisors is the governing board of the district.

(2) The special districts revenues and expenditures are transacted through the county's financial systems.

(3) The special district's annual revenues do not exceed one hundred thousand dollars (\$100,000).

**26910.** The auditor may at any reasonable time and place examine the books and records of any special purpose assessing or taxing district located wholly in the county.

**6503.5.** Whenever a joint powers agreement provides for the creation of an agency or entity that is separate from the parties to the agreement and is responsible for the administration of the agreement, such agency or entity shall, within 30 days after the effective date of the agreement or amendment thereto, cause a notice of the agreement or amendment to be prepared and filed with the office of the Secretary of State. The agency or entity shall furnish an additional copy of the notice of the agreement or amendment to the Secretary of State, who shall forward the copy to the Controller. The notice shall contain:

(a) The name of each public agency that is a party to the

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agreement.

(b) The date that the agreement became effective.

(c) A statement of the purpose of the agreement or the power to be exercised.

(d) A description of the amendment or amendments made to the agreement, if any.

Notwithstanding any other provision of this chapter, any agency or entity administering a joint powers agreement or amendment to such an agreement, which agreement or amendment becomes effective on or after the effective date of this section, which fails to file the notice required by this section within 30 days after the effective date of the agreement or amendment, shall not thereafter, and until such filings are completed, issue any bonds or incur indebtedness of any kind.

**6505.** (a) The agreement shall provide for strict accountability of all funds and report of all receipts and disbursements.

(b) In addition, and provided a separate agency or entity is created, the public officer performing the functions of auditor or controller as determined pursuant to Section 6505.5, shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every agency or entity, except that the officer need not make or contract for the audit in any case where an annual audit of the accounts and records of the agency or entity by a certified public accountant or public accountant is otherwise made by any agency of the state or the United States only as to those accounts and records which are directly subject to such a federal or state audit. In each case the minimum requirements of the audit shall be those prescribed by the Controller for special districts under Section 26909 and shall conform to generally accepted auditing standards.

(c) When an audit of an account and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with each of the contracting parties to the agreement and also with the county auditor of the county where the home office of the joint powers authority is located and shall be sent to any public agency or person in California that submits a written request to the joint powers authority. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(d) When a nonprofit corporation is designated by the agreement to administer or execute the agreement and no public officer is required to perform the functions of auditor or controller as determined pursuant to Section 6505.5, an audit of the accounts and records of the agreement shall be made at least once each year by a certified public accountant or public accountant, and a report

## Excerpts From the Government Code

thereof shall be filed as a public record with each of the contracting parties to the agreement and with the county auditor of the county where the home office of the joint powers authority is located, and shall be sent to any public agency or person in California that submits a written request to the joint powers authority. These reports shall be filed within 12 months after the end of the fiscal year or years under examination.

(e) Any costs of the audit, including contracts with, or employment of certified public accountants or public accountants, in making an audit pursuant to this section shall be borne by the agency or entity and shall be a charge against any unencumbered funds of the agency or entity available for the purpose.

(f) All agencies or entities may, by unanimous request of the governing body thereof, replace the annual special audit with an audit covering a two-year period.

(g) Notwithstanding the foregoing provisions of this section to the contrary, agencies or entities shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

**6505.1.** The contracting parties to an agreement made pursuant to this chapter shall designate the public office or officers or person or persons who have charge of, handle, or have access to any property of the agency or entity and shall require such public officer or officers or person or persons to file an official bond in an amount to be fixed by the contracting parties.

**6505.5.** If a separate agency or entity is created by the agreement, the agreement shall designate the treasurer of one of the contracting parties, or in lieu thereof, the county treasurer of a county in which one of the contracting parties is situated, or a certified public accountant to be the depository and have custody of all the money of the agency or entity, from whatever source.

The treasurer or certified public accountant so designated shall do all of the following:

(a) Receive and receipt for all money of the agency or entity and place it in the treasury of the treasurer so designated to the credit of the agency or entity.

(b) Be responsible, upon his or her official bond, for the safekeeping and disbursement of all agency or entity money so held by him or her.

(c) Pay, when due, out of money of the agency or entity held by him or her, all sums payable on outstanding bonds and coupons of the agency or entity.

(d) Pay any other sums due from the agency or entity from agency or entity money, or any portion thereof, only upon warrants of the

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public officer performing the functions of auditor or controller who has been designated by the agreement.

(e) Verify and report in writing on the first day of July, October, January, and April of each year to the agency or entity and to the contracting parties to the agreement the amount of money he or she holds for the agency or entity, the amount of receipts since his or her last report, and the amount paid out since his or her last report.

The officer performing the functions of auditor or controller shall be of the same public agency as the treasurer designated as depositary pursuant to this section. However, where a certified public accountant has been designated as treasurer of the entity, the auditor of one of the contracting parties or of a county in which one of the contracting parties is located shall be designated as auditor of the entity. The auditor shall draw warrants to pay demands against the agency or entity when the demands have been approved by any person authorized to so approve in the agreement creating the agency or entity.

The governing body of the same public entity as the treasurer and auditor specified pursuant to this section shall determine charges to be made against the agency or entity for the services of the treasurer and auditor. However, where a certified public accountant has been designated as treasurer, the governing body of the same public entity as the auditor specified pursuant to this section shall determine charges to be made against the agency or entity for the services of the auditor.

# **Attachment 2**

DECLARATION  
ACCOMPANYING SPECIAL DISTRICTS ANNUAL REPORT FOR  
2006-07 FISCAL YEAR  
TO THE STATE CONTROLLER'S OFFICE  
FOR

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT  
AUTHORITY**

**ID NUMBER: 12500704500**

For reporting year 2006-07, the California Statewide Communities Development Authority exists exclusively as an administrative vehicle to permit the issuance of bond/debt obligations for local governmental entities and non-profit and private enterprises. As such, the California Statewide Communities Development Authority is a pure financing conduit with no revenues, expenditures, assets, or liabilities.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on \_\_\_\_\_,  
at \_\_\_\_\_ California.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

**AMENDED AND RESTATED  
JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

THIS AGREEMENT, dated as of June 1, 1988, by and among the parties executing this Agreement (all such parties, except those which have withdrawn in accordance with Section 13 hereof, being herein referred to as the "Program Participants"):

**WITNESSETH**

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Program Participants is a "public agency" as that term is defined in Section 6500 of the Government Code of the State of California, and

WHEREAS, each of the Program Participants is empowered to promote economic development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, and the increase of the tax base, within its boundaries; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue industrial development bonds pursuant to the California Industrial Development Financing Act (Title 10 (commencing with Section 91500 of the Government Code of the State of California)) (the "Act") and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of law to promote economic development through the issuance of bonds, notes, or other evidences of indebtedness, or certificates of participation in leases or other agreements (all such instruments being herein collectively referred to as "Bonds"); and

WHEREAS, in order to promote economic development within the State of California, the County Supervisors Association of California ("CSAC"), together with the California Manufacturers Association, has established the Bonds for Industry program (the "Program").



WHEREAS, in furtherance of the Program, certain California counties (collectively, the "Initial Participants") have entered into that certain Joint Exercise of Powers Agreement dated as of November 18, 1987 (the "Initial Agreement"), pursuant to which the California Counties Industrial Development Authority has been established as a separate entity under the Joint Exercise of Powers Act for the purposes and with the powers specified in the Initial Agreement; and

WHEREAS, the League of California Cities ("LCC") has determined to join as a sponsor of the Program and to actively participate in the administration of the Authority; and

WHEREAS, the Initial Participants have determined to specifically authorize the Authority to issue Bonds pursuant to Article 2 of the Joint Exercise of Powers Act ("Article 2") and Article 4 of the Joint Exercise of Powers Act ("Article 4"), as well as may be authorized by the Act or other applicable law; and

WHEREAS, the Initial Participants desire to rename the California Counties Industrial Development Authority to better reflect the additional sponsorship of the Program; and

WHEREAS, each of the Initial Participants has determined that it is in the public interest of the citizens within its boundaries, and to the benefit of such Initial Participant and the area and persons served by such Initial Participant, to amend and restate in its entirety the Initial Agreement in order to implement the provisions set forth above; and

WHEREAS, it is the desire of the Program Participants to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake projects within their respective jurisdictions that may be financed with Bonds issued pursuant to the Act, Article 2, Article 4, or other applicable provisions of law; and

WHEREAS, the projects undertaken will result in significant public benefits, including those public benefits set forth in Section 91502.1 of the Act, an increased level of economic activity, or an increased tax base, and will therefore serve and be of benefit to the inhabitants of the jurisdictions of the Program Participants;

NOW, THEREFORE, the Program Participants, for and in consideration of the mutual promises and agreements herein contained, do agree to restate and amend the Initial Agreement in its entirety to provide as follows:

Section 1. Purpose.

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act, relating to the joint exercise of powers common to public agencies, in this case being the Program Participants. The Program Participants each possess the powers referred to in the recitals hereof. The purpose of this Agreement is to establish an agency for, and with the purpose of, issuing Bonds to finance projects within the territorial limits of the Program Participants pursuant to the Act, Article 2, Article 4, or other applicable provisions of law; provided, however that nothing in this Agreement shall be construed as a limitation on the rights of the Program Participants to pursue economic development outside of this Agreement, including the rights to issue Bonds through industrial development authorities under the Act, or as otherwise permitted by law.

Within the various jurisdictions of the Program Participants such purpose will be accomplished and said powers exercised in the manner hereinafter set forth.

Section 2. Term.

This Agreement shall become effective as of the date hereof and shall continue in full force and effect for a period of forty (40) years from the date hereof, or until such time as it is terminated in writing by all the Program Participants; provided, however, that this Agreement shall not terminate or be terminated until the date on which all Bonds or other indebtedness issued or caused to be issued by the Authority shall have been retired, or full provision shall have been made for their retirement, including interest until their retirement date.

Section 3. Authority.

A. CREATION AND POWERS OF AUTHORITY.

(1) Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Statewide Communities Development Authority" (the "Authority"), and said Authority shall be a public entity separate and apart from the Program Participants. Its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any party to this Agreement.

B. COMMISSION.

The Authority shall be administered by a Commission (the "Commission") which shall consist of seven members, each

serving in his or her individual capacity as a member of the Commission. The Commission shall be the administering agency of this Agreement, and, as such, shall be vested with the powers set forth herein, and shall execute and administer this Agreement in accordance with the purposes and functions provided herein.

Four members of the Commission shall be appointed by the governing body of CSAC and three members of the Commission shall be appointed by the governing body of LCC. Initial members of the Commission shall serve a term ending June 1, 1991. Successors to such members shall be selected in the manner in which the respective initial member was selected and shall serve a term of three years. Any appointment to fill an unexpired term, however, shall be for such unexpired term. The term of office specified above shall be applicable unless the term of office of the respective member is terminated as hereinafter provided, and provided that the term of any member shall not expire until a successor thereto has been appointed as provided herein.

Each of CSAC and LCC may appoint an alternate member of the Commission for each member of the Commission which it appoints. Such alternate member may act as a member of the Commission in place of and during the absence or disability of such regularly appointed member. All references in this Agreement to any member of the Commission shall be deemed to refer to and include the applicable alternate member when so acting in place of a regularly appointed member.

Each member or alternate member of the Commission may be removed and replaced at any time by the governing body by which such member was appointed. Any individual, including any member of the governing body or staff of CSAC or LCC, shall be eligible to serve as a member or alternate member of the Commission.

Members and alternate members of the Commission shall not receive any compensation for serving as such but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member or alternate member, if the Commission shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

#### C. OFFICERS; DUTIES; OFFICIAL BONDS.

The Commission shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among its members to serve for such term as shall be determined by the Commission. The Commission shall appoint one or more of its officers or

employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve for such term as shall be determined by the Commission.

Subject to the applicable provisions of any resolution, indenture or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived.

The Treasurer of the Authority shall have the powers, duties and responsibilities specified in Section 6505.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Commission but in no event less than \$1,000. If and to the extent permitted by law, any such officer may satisfy this requirement by filing an official bond in at least said amount obtained in connection with another public office.

The Commission shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Commission shall have the power, by resolution, to the extent permitted by the Joint Exercise of Powers Act or any other applicable law, to delegate any of its functions to one or more of the members of the Commission or officers or agents of the Authority and to cause any of said members, officers or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Commission or the Authority.

#### D. MEETINGS OF THE COMMISSION.

##### (1) Regular Meetings.

The Commission shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Commission and a copy of such resolution shall be filed with each party hereto.

(2) Special Meetings.

Special meetings of the Commission may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California.

(3) Ralph M. Brown Act.

All meetings of the Commission, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California).

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Commission and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Commission.

(5) Quorum.

A majority of the members of the Commission which includes at least one member appointed by the governing body of each of CSAC and LCC shall constitute a quorum for the transaction of business. No action may be taken by the Commission except upon the affirmative vote of a majority of the members of the Commission which includes at least one member appointed by the governing body of each of CSAC and LCC, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Commission such rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Authority shall have any and all powers relating to economic development authorized by law to each of the parties hereto and separately to the public entity herein created, including, without limitation, the promotion of opportunities for the creation and retention of employment, the stimulation of economic activity, and the increase of the tax base, within the jurisdictions of such parties. Such powers shall include the common powers specified in this

Agreement and may be exercised in the manner and according to the method provided in this Agreement. All such powers common to the parties are specified as powers of the Authority. The Authority is hereby authorized to do all acts necessary for the exercise of such powers, including, but not limited to, any or all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity; to sue and be sued in its own name; and generally to do any and all things necessary or convenient to the promotion of economic development, including without limitation the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, and the increase of the tax base, all as herein contemplated. Without limiting the generality of the foregoing, the Authority may issue or cause to be issued bonded and other indebtedness, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, including Article 2 and Article 4, the Act or any other applicable provision of law.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California county could exercise such powers and perform such duties until a California general law city shall become a Program Participant, at which time it shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 5. Fiscal Year.

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by the Authority, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 1988.

Section 6. Disposition of Assets.

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2 hereof, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Program Participants and shall thereafter remain the sole property of the Program Participants; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Program Participants.

Section 7. Bonds.

The Authority shall issue Bonds for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement. Said Bonds may, at the discretion of Authority, be issued in series.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The fees and expenses of such counsel, consultants, advisors, and the expenses of CSAC, LCC, and the Commission shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

Section 9. Local Approval.

A copy of the application for financing of a project shall be filed by the Authority with the Program Participant in whose jurisdiction the project is to be located. The Authority shall not issue Bonds with respect to any project unless the governing body of the Program Participant in whose jurisdiction the project is to be located, or its duly authorized designee, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Action to approve or disapprove a project shall be taken within 45 days of the filing with the Program Participant. Certification of approval or disapproval shall be made by the clerk of the governing body of the Program Participant, or by such other officer as may be designated by the applicable Program Participant, to the Authority.

Section 8. Bonds Only Limited and Special Obligations of Authority.

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Program Participant, CSAC, or LCC or pledge of the faith and credit of the Program Participants, CSAC, LCC, or the

Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds or the respective project costs except from revenues and other funds pledged therefor. Neither the Program Participants, CSAC, LCC, nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Program Participants nor the faith and credit of CSAC, LCC, or the Authority shall be pledged to the payment of the principal of, premium, if any, or interest on the Bonds nor shall the Program Participants, CSAC, LCC, or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any member of the Commission, or any officer, agent or employee of the Authority in his individual capacity and neither the Commission of the Authority nor any officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

#### Section 10. Accounts and Reports.

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Program Participant.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Agency by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with each Program Participant and also with the county auditor of each county in which a Program Participant is located. Such report shall be filed within 12 months of the end of the Fiscal Year or Years under examination.



Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Commission may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

The Treasurer of the Authority, within 120 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to each of the Program Participants to the extent such activities are not covered by the reports of the trustees for the Bonds. The trustee appointed under each Indenture shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out this Agreement.

**Section 11. Funds.**

Subject to the applicable provisions of each Indenture, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Section 10 hereof, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions or purposes of this Agreement.

**Section 12. Notices.**

Notices and other communications hereunder to the Program Participants shall be sufficient if delivered to the clerk of the governing body of each Program Participant.

**Section 13. Withdrawal and Addition of Parties.**

A Program Participant may withdraw from this Agreement upon written notice to the Commission; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding under an Indenture. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Commission which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Qualifying public agencies may be added as parties to this Agreement and become Program Participants upon: (i) the filing by such public agency of an executed counterpart of this Agreement, together with a certified copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (ii) adoption of a resolution of the Commission approving the addition of such public agency as a Program Participant. Upon satisfaction of such conditions, the Commission shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

**Section 14. Indemnification.**

To the full extent permitted by law, the Commission may authorize indemnification by the Authority of any person who is or was a member or alternate member of the Commission, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member or alternate member of the Commission, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

**Section 15. Contributions and Advances.**

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the parties hereto for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the party making such advance at the time of such advance.

**Section 16. Immunities.**

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, all pension, relief, disability, workers' compensation, and other benefits which apply to the activity of officers, agents or employees of Program Participants when performing their

respective functions within the territorial limits of their respective public agencies, shall apply to them to the same degree and extent while engaged as members of the Commission or otherwise as an officer, agent or other representative of the Authority or while engaged in the performance of any of their functions or duties extraterritorially under the provisions of this Agreement.

**Section 17. Amendments.**

Except as provided in Section 13 above, this Agreement shall not be amended, modified, or altered except by a written instrument duly executed by each of the Program Participants.

**Section 18. Effectiveness.**

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Program Participants at 9:00 a.m., California time, on the date that the Commission shall have received from each of the Initial Participants an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Participant approving this Agreement and the execution and delivery hereof.

**Section 19. Partial Invalidity.**

If anyone or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 20. Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no party may assign any right or obligation hereunder without the consent of the other parties.

**Section 21. Miscellaneous.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement is made in the State of California, under the Constitution and laws of such state and is to be so construed.

This Agreement is the complete and exclusive statement of the agreement among the parties hereto, which supercedes and merges all prior proposals, understandings, and other agreements, including, without limitation, the Initial Agreement, whether oral, written, or implied in conduct, between and among the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

Program Participant:

[SEAL]

\_\_\_\_\_

By \_\_\_\_\_

Name:

Title:

ATTEST:

By \_\_\_\_\_

Name:

Title:

# **Attachment 3**

**ABAG  
FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS  
BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005**

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ABAG  
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS  
BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2005

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
ABAG Finance Authority for Nonprofit Corporations  
Oakland, California

We have audited the basic financial statements of the ABAG Finance Authority for Nonprofit Corporations (the "Authority") for the year ended June 30, 2005. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects the financial position of the Authority at June 30, 2005, and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Management's Discussion and Analysis is supplementary information required by the Government Accounting Standards Board, but is not part of the basic financial statements. We have applied certain limited procedures to this information, principally inquiries of management regarding the methods of measurement and presentation of this information, but we did not audit this information and we express no opinion on it.

*Maze & Associates*

December 2, 2005

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The ABAG Finance Authority for Nonprofit Corporations (the "Authority") has issued its financial reports for the fiscal year ended June 30, 2005 based on the provisions of Government Accounting Standards Board Statement 34, "Basic Financial Statement and Management's Discussion & Analysis—for State and Local Governments," (GASB 34). One of the most significant requirements of GASB 34 is for government entities to prepare financial reports using the full accrual basis of accounting. Since the Authority has already been using this method of accounting, changes in its financial reports are primarily in format of presentation.

GASB 34 requires the Authority to provide an overview of financial activities in the fiscal year. Such overview herein should be read in conjunction with the accompanying financial statements.

## BASIC FINANCIAL STATEMENTS

The Basic Financial Statements required under GASB 34 include:

- (1) Statement of Net Assets—provides information about the financial position of the Authority, including assets, liabilities and net assets. Net assets are presented as the difference between total assets and total liabilities.
- (2) Statement of Activities—presents revenues, expenses and changes in net assets for the fiscal year. GASB 34 requires that revenues and expenses directly attributable to operating programs are presented separately from investment income and financing costs.
- (3) Statement of Cash Flows—provides itemized categories of cash flows. GASB 34 requires itemized categories of cash in flows and out flows instead of computing the net cash flows from operation by backing out non-cash revenues and expenses from net operating income as in the previous traditional format. In addition, cash flows related to investments and financing activities are presented separately.

The Basic Financial Statements above provide information about the financial activities of the Authority's two programs, Financing Program and Homeownership Lease Purchase Program, in separate columns. As described in Note 1, the Homeownership Lease Purchase Program is tracked by two separate funds, Home Operation and Home Administration.

## FISCAL YEAR 2005 FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- At June 30, 2005, the Authority's total assets were \$65.7 million of which \$64.0 million were attributable to the Homeownership Lease Purchase Program. At June 30, 2004, total assets were \$61.1 million.
- The Authority's total revenues, including program and general revenues, were \$3.8 million in FY 2005, while total expenses were \$3.6 million.

- The Authority's total net assets were \$1.3 million at June 30, 2005. \$1.3 million of this amount is attributable to the Financing Program, and \$10 thousand is attributable to the Homeownership Lease Purchase Program (carried in the Home Administration Fund). Net assets in the Home Operation Fund are always maintained at zero throughout the duration of the Homeownership Lease Purchase Program, as a result of a guarantee by the Forward Purchaser. The Home Administration Fund may carry minor amounts of net assets representing timing differences between the receipts of revenues generated through home closings and planned expenditures for marketing and administration. See Note 1 for a description of programs offered by the Authority.
- FY 2005 Program operating revenues were \$950 thousand, \$1.4 million and \$320 thousand respectively for the Financing, Home Operation and Home Administration funds. The \$1.4 million in the Home Operation Fund represents interest earnings from the Guaranteed Investment Agreement as described in Note 2.
- FY 2005 Program Operating Expenses were \$715 thousand, \$2.5 million and \$314 thousand respectively for the Financing, Home Operation and Home Administration funds.
- General revenues were \$28 thousand and \$1.1 million respectively for the Financing and Home Operation funds (none in the Home Administration Fund). As described in Note 4, the solvency of the Home Operation Fund is guaranteed by the Forward Purchaser. The Forward Purchaser has a contractual obligation to pay the principal and interest of the Pass Through Obligations in the event of a shortfall in cash held by the program trustee. Based on this contractual relationship, any operating loss in the Home Operation Fund is offset by the commitment for reimbursement from the Forward Purchaser. As of June 30, 2005, the cumulative amount of such reimbursement from the Forward Purchaser amounted to \$2.2 million which was recorded as a receivable under non-current assets.

## **MAJOR PROGRAM INITIATIVES IN FY 2005**

### Financing Program

Currently, local governments are facing rising interest rates and tight budgets. In this uncertain economic environment, ABAG Financial Services present convenient, cost effective, and secure means to meet the broad array of capital financing needs of public agencies and their nonprofit partners.

Since April of 1990 the Authority has offered its Financing Program to assist eligible entities in obtaining financing through the delivery of tax-exempt securities. Eligible entities with projects located within the jurisdictions of the California city and county members of the Authority may request assistance from the Authority in obtaining conduit financing. Eligible entities include nonprofit corporations organized under Internal Revenue Code Section 501(c)(3), and other borrowers which operate for the benefit of the public. All conduit financings delivered through the Authority's Financing Program are obligations of the borrowing entities and are not obligations of the Authority. As a result, the financing obligations are not recorded in the Authority's financing statements. As of June 30, 2005 the Authority had delivered \$2.96 billion in such conduit financing. Please see Note 3 for current outstanding amounts of each types of conduit financing issued through the Authority.

### Homeownership Lease Purchase Program

In March 2003, the Authority issued variable rate Pass Through Obligations in the amount of \$53.8 million to finance the Homeownership Lease Purchase Program. This program is designed to assist California residents who otherwise could not qualify for homeownership financing from other lenders. As of June 30, 2005, 34 homes were purchased under this program, 20 of this total in FY 2005. A detailed description of the program is presented in Note 4.

### **OUTLOOK FOR FY 2006**

The Authority will continue to provide efficient and economical financing for affordable multi-family housing, independent schools, hospitals, healthcare providers through its various programs specially designed for local government jurisdictions and other borrowers in the municipal capital market.

### **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances. Questions about this Report should be directed to the ABAG Finance Department, at 101 Eighth Street, Oakland, California 94607.

ABAG  
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS  
STATEMENT OF NET ASSETS  
JUNE 30, 2005

	Financing Program	Home Operation (Note 4)	Home Administration (Note 4)	Total
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents (Note 2)	\$1,475,428		\$92,406	\$1,567,834
Guaranteed Investment Agreement (Note 2)		\$40,876,974		40,876,974
Investments held by Trustee (Note 2)		2,396,546		2,396,546
Mortgages Receivable (Note 4)		7,324,589		7,324,589
Interest and Other Receivables	122,247			122,247
Receivables from Lease-Purchasers (Note 4)		204,017		204,017
<b>Total Current Assets</b>	<b>1,597,675</b>	<b>50,802,126</b>	<b>92,406</b>	<b>52,492,207</b>
<b>NON CURRENT ASSETS</b>				
Homes Purchased, at Cost (Note 4)			10,047,621	10,047,621
Prepaid Expenses	63,344			63,344
Unamortized Issuance Costs (Note 4B)		847,643		847,643
Accrued operating loss reimbursement from Forward Purchaser (Note 4C)		2,221,754		2,221,754
<b>Total Non Current Assets</b>	<b>63,344</b>	<b>3,069,397</b>	<b>10,047,621</b>	<b>13,180,362</b>
<b>Total Assets</b>	<b>1,661,019</b>	<b>53,871,523</b>	<b>10,140,027</b>	<b>65,672,569</b>
<b>CURRENT LIABILITIES</b>				
Due to ABAG	57,702			57,702
Accounts Payable		26,523	17,226	43,749
Refundable Deposits	233,182			233,182
Deferred Service Fee Revenue	60,576		64,685	125,261
<b>Total Current Liabilities</b>	<b>351,460</b>	<b>26,523</b>	<b>81,911</b>	<b>459,894</b>
<b>NON CURRENT LIABILITIES</b>				
Purchase Mortgage Liabilities (Note 4)			10,047,621	10,047,621
Lease Revenue Pass-Through Obligations (Note 4)		53,845,000		53,845,000
<b>Total Non Current Liabilities</b>		<b>53,845,000</b>	<b>10,047,621</b>	<b>63,892,621</b>
<b>Total Liabilities</b>	<b>351,460</b>	<b>53,871,523</b>	<b>10,129,532</b>	<b>64,352,515</b>
<b>NET ASSETS</b>				
Unrestricted	1,309,559		10,495	1,320,054
<b>Total Net Assets</b>	<b>\$1,309,559</b>		<b>\$10,495</b>	<b>\$1,320,054</b>

See accompanying notes to financial statements

ABAG  
 FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2005

	Financing Program	Home Operation (Note 4)	Home Administration (Note 4)	Totals
<b>PROGRAM OPERATING REVENUES</b>				
Financial Service Fees	\$949,457		\$16,779	\$966,236
Lease Program Fees			302,931	302,931
Lease Program Interest		\$1,385,158	263	1,385,421
Total Program Operating Revenues	<u>949,457</u>	<u>1,385,158</u>	<u>319,973</u>	<u>2,654,588</u>
<b>PROGRAM OPERATING EXPENSES</b>				
Home Closing Costs		274,136	213,105	487,241
Consultant Services	714,978		80,729	795,707
Remarketing Agent Fees		53,411		53,411
Program Interest Expense		967,461		967,461
Trustee Fee		5,000		5,000
Forward Purchaser Fees		942,318		942,318
Debt Issuance Cost Amortization (Note 4B)		282,548		282,548
Computer Processing			18,644	18,644
Printing			419	419
Miscellaneous			678	678
Total Program Operating Expenses	<u>714,978</u>	<u>2,524,874</u>	<u>313,575</u>	<u>3,553,427</u>
Program Operating Income (Loss)	<u>234,479</u>	<u>(1,139,716)</u>	<u>6,398</u>	<u>(898,839)</u>
<b>GENERAL REVENUES</b>				
Interest Income	28,354			28,354
Forward Purchaser current year operating loss reimbursement accrual (Note 4C)		1,139,716		1,139,716
Total General Revenues	<u>28,354</u>	<u>1,139,716</u>		<u>1,168,070</u>
Change in Net Assets	262,833		6,398	269,231
Beginning Net Assets	<u>1,046,726</u>		<u>4,097</u>	<u>1,050,823</u>
Ending Net Assets	<u>\$1,309,559</u>		<u>\$10,495</u>	<u>\$1,320,054</u>

See accompanying notes to financial statements



ABAG  
 FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Financing Program	Home Operation (Note 4)	Home Administration (Note 4)	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Fees	\$1,043,106		\$327,119	\$1,370,225
Lease Program Interest		\$1,385,158		1,385,158
Payment of Consultant Costs	(714,978)		(92,736)	(807,714)
Payment for Home Closing Costs		(274,136)	(213,105)	(487,241)
Payment for Remarketing Fees		(53,411)		(53,411)
Forward Purchaser Fee		(1,051,198)		(1,051,198)
Trustees Fees		(5,000)		(5,000)
Interest Expense		(967,461)		(967,461)
Net Cash Provided (Used) by Operating Activities	<u>328,128</u>	<u>(966,048)</u>	<u>21,278</u>	<u>(616,642)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Draw on Guaranteed Investment Agreement		7,088,239		7,088,239
Purchase of Investments		(2,396,546)		(2,396,546)
Purchase of Mortgages		(3,725,645)		(3,725,645)
Interest Income	28,354			28,354
Net Cash Provided by Investing Activities	<u>28,354</u>	<u>966,048</u>		<u>994,402</u>
Net Increase in Cash and Cash Equivalents	356,482		21,278	377,760
Cash and Cash Equivalents- Beginning of Year	<u>1,118,946</u>		<u>71,128</u>	<u>1,190,074</u>
Cash and Cash Equivalents - End of Year	<u>\$1,475,428</u>		<u>\$92,406</u>	<u>\$1,567,834</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$234,479	(\$1,139,716)	\$6,398	(\$898,839)
Change in Assets and Liabilities:				
Interest and Other Receivables	(88,821)		9,577	(79,244)
Prepaid Expense	21,115			21,115
Debt issuance costs		282,548		282,548
Due to the ABAG	(4,136)			(4,136)
Accounts Payable		(108,880)	7,734	(101,146)
Refundable Deposits	185,682			185,682
Deferred Service Fee Revenue	(20,191)		(2,431)	(22,622)
Net Cash Provided (Used) by Operating Activities	<u>\$328,128</u>	<u>(\$966,048)</u>	<u>\$21,278</u>	<u>(\$616,642)</u>

See accompanying notes to financial statements

**ABAG FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS**  
Notes To Financial Statements

**NOTE 1 - DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES**

**A. Description**

*Description of Reporting Entity* -- The ABAG Finance Authority for Nonprofit Corporations (Authority) is a joint powers authority comprising California municipalities. The Authority is governed by a board appointed by its members.

The Authority assists eligible non-profit entities and other borrowers in obtaining tax-exempt financing. Eligible entities include non-profit corporations exempt from taxation under Internal Revenue Code 501(c)(3) and other qualified borrowers financing projects in the public interest. The Authority acts as a conduit for eligible entities, which issue debt that is pooled by the Authority; payments by these borrowers are used to repay the debt. As a conduit, the Authority is not liable for the repayment of debt in the event of a default by a borrower.

The Association of Bay Area Governments (ABAG) assists the Authority in enabling non-profit corporations and other borrowers serving the public interest to issue tax-exempt debt; it also provides administrative, accounting and clerical support. The Authority paid ABAG \$693,637 for these services in the fiscal year ended June 30, 2005.

Any California County or City can be a member of the Authority. However, since not all ABAG members are members of the Authority, it is not a component unit of ABAG and its financial resources and results of operations are not blended with those reported by ABAG.

*Reporting Entity* --The accompanying basic financial statements present the financial activity of the Authority, which is the primary government presented, along with the financial activities of its component unit, the California Regional Mortgage Assistance Corporation (Cal-MAC), for which the Authority is financially accountable. Although Cal-MAC is a separate legal entity, *blended* component units are in substance part of the Authority's operations and are reported as an integral part of the Authority's financial statements.

Cal-MAC is a nonprofit public-benefit corporation organized under the laws of the State of California. Its board of directors consists of the members of the Executive Committee of the Board of the Authority. Cal-MAC was established to facilitate the Lease-Purchase Homeownership Program operated by the Authority and described in Note 4.

*Programs* -- The accompanying basic financial statements of the Authority consist of reports for three Major Funds—Financing Program, Home Operation, and Home Administration. Financing Program presents all conduit financing activities of the Authority other than the Homeownership Lease Purchase Program described in Note 4. The Home Operation Fund presents the Pass-Through Obligations and their proceeds, as well as investment revenues and financial expenses of the Homeownership Lease Purchase program. The Home Administration Fund presents the marketing and administrative activities of the Homeownership Lease Purchase Program, including revenues and expenses resulting from the purchase of homes. Effective July 1, 2003, the purchase cost of homes and related purchase mortgage obligations are also accounted for in this Fund.

**ABAG FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS**  
Notes To Financial Statements

**NOTE 1 - DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. *Basis of Presentation***

The Authority's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

**C. *Basis of Accounting***

The Authority accounts for all transactions in three enterprise funds, as described in Note 1A. Each of these funds is a separate set of self-balancing accounts that comprise assets, liabilities, net assets, revenues and expenses. All transactions are accounted for on the accrual basis, which means that expenses are recorded when the liability is incurred and revenues are recorded when earned, rather than when cash changes hands.

The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**D. *Revenue Recognition***

Revenues comprise application fees, closing fees, housing monitoring fees, interest, and annual administration fees earned by assisting other governments to issue conduit debt issues on behalf of eligible borrowers. Application and closing fees are recognized in the period in which the related financing package is completed. Monitoring and administration fees are recognized as the service is provided.

Home Ownership Lease Purchase Program revenues are recognized as escrows are closed on each home. Deferred service fee revenues in the Program are recognized ratably over the sixty-nine-month life of the program.

**E. *Refundable Deposits***

The California Debt Limit Allocation Committee (CDLAC) establishes procedures to be followed for multifamily housing projects in the State of California financed with tax-exempt private activity revenue bonds.

**F. *Unamortized Issuance Costs and Service Fee Revenues***

The costs of issuing the long-term debt to fund the Authority's Lease/Purchase Homeownership Program, comprising underwriter's fees, legal and other costs, and the Authority's service fees, were paid immediately out of the proceeds of the debt issue. However, since these costs are of benefit for the duration of the debt issue, they are capitalized and amortized on a straight-line basis as an operating cost or revenue over the sixty-four month term of the debt issue.

**ABAG FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS  
Notes To Financial Statements**

**NOTE 2 - CASH AND INVESTMENTS.**

*A. Authorized Investments by the Authority*

The Authority Investment Policy and the California Government Code allow the Authority to invest in the following, provided the credit ratings of the issuers are acceptable to the Authority. The following also identifies certain provisions of the Authority and California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	1 year	N/A	None	None
U.S. Agency Securities (A)	1 year	N/A	None	None
Bankers Acceptances	270 days	N/A	40%	30%
Commercial Paper	270 days	A1/PI	10%	10%
Investment Agreements	On Demand	N/A	None	None
Repurchase Agreements	15 days	N/A	10%	None
Certificates of Deposit	1 year	N/A	10%	None
Negotiable Certificates of Deposit	1 year	N/A	30%	None
Money Market Mutual Funds	On Demand	Top rating category	None	10%
California Local Agency Investment Fund	On Demand	N/A	None	None

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC).

*B. Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution to Authority's investments by maturity:

	12 Months or less	25 to 60 Months	More than 60 Months	Total
U.S. Agency Obligations:				
Federal Home Loan Mortgage Corporation			\$2,396,546	\$2,396,546
Guaranteed Investment Agreement		\$40,876,974		40,876,974
Local Agency Investment Fund	\$1,287,918			1,287,918
Total Investments	<u>\$1,287,918</u>	<u>\$40,876,974</u>	<u>\$2,396,546</u>	44,561,438
Cash in Banks				279,916
Total Cash and Investments				<u>\$44,841,354</u>

**ABAG FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS**  
Notes To Financial Statements

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**C. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Presented below are the actual credit ratings of the Authority's Investment, as of June 30, 2005.

	<u>Not Rated</u>	<u>AAA</u>	<u>AA-</u>	<u>Total</u>
U.S. Agency Obligations		\$2,396,546		\$2,396,546
Guaranteed Investment Agreement			\$40,876,974	40,876,974
Local Agency Investment Fund	\$1,287,918			1,287,918
Total	<u>\$1,287,918</u>	<u>\$2,396,546</u>	<u>\$40,876,974</u>	<u>\$44,561,438</u>

**D. Concentration of Credit Risk**

The Authority's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer, other than U.S. Treasury securities, mutual funds, and external investment pools, that represent 5% or more of total Entity-wide investments are as follows at June 30, 2005:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Mortgage Corporation	Federal agency securities	\$2,396,546
Societe Generale	Guaranteed Investment Agreement	40,876,974

**E. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the Authority's cash on deposit. All of the Authority's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the Authority's name.

**ABAG FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS**  
Notes To Financial Statements

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**F. Local Agency Investment Fund**

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

**G. Guaranteed Investment Contract**

Net proceeds from the Pass-Through Obligations have been invested in a Guaranteed Investment Contract (Contract) issued by the forward purchaser (liquidity provider) discussed in Note 4; these proceeds may only be used for the Home Lease Purchase Program and therefore are excluded from operating cash for purposes of cash flows. The Contract bears interest at 2.36% annually.

**NOTE 3 - CONDUIT FINANCE PROGRAMS FOR ELIGIBLE ORGANIZATIONS**

In its Financing Program, the Authority assists eligible organizations in obtaining financing through the issuance of tax-exempt debt.

The underlying liability for the repayment of each of these issues rests with the organization participating in that issue, and not with the Authority, which acts only as a conduit in each issue. For that reason, the Authority has not recorded a liability for these issues, which had the following outstanding balances at June 30:

Type of Financing	2005	2004
Revenue Bonds	\$1,828,381,243	\$1,691,410,523
Certificates of Participation	561,400,500	576,135,000
Qualified Zone Academy Bond	1,000,000	
Equipment leases	72,460,161	28,905,158
Total	<u>\$2,463,241,904</u>	<u>\$2,296,450,681</u>

**ABAG FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS**  
Notes To Financial Statements

**NOTE 4 – HOMEOWNERSHIP LEASE PURCHASE PROGRAM**

*A. Program Description*

This Program was designed by the forward purchaser discussed below. The Program is similar to other Programs sponsored by the forward purchaser. As its part of the Program, the Authority issued the debt discussed below, purchased the homes and performs certain marketing functions.

In March 2003, the Authority and Cal-MAC began a Homeownership Lease Purchase Program designed to encourage home ownership by people who could not otherwise qualify for home loans from other lenders. Under the Program, the Authority issued \$53,845,000 in Variable Rate Lease Revenue Pass-Through Obligations, the proceeds from which are used to finance the purchase of homes for participants in the Program.

Program participants qualify for the Program and these participants identify homes, which Cal-MAC purchases and leases to the participants under a thirty-nine month lease with an option to purchase the home. Substantially all the cost of the home, including closing costs, is financed by the Program's lenders; participants must assume this debt on exercising their purchase option, but are not required to pay for any appreciation. Homes must be located in the jurisdiction of an Authority member entity.

The Authority has agreements with lenders, a lease servicer, a master servicer, the forward purchaser, a trustee, and commitments from the Federal Home Loan Mortgage Corporation ("FHLMC" or Freddie Mac) and the California Housing Finance Agency to purchase or insure conforming loans made under the Program.

Lenders provide initial mortgage loan funds. These mortgages are sold to the master servicer. The master servicer accumulates these mortgages and is to exchange conforming loans with FHLMC for insured Collateralized Mortgage Obligations. Conforming loans that exceed Freddie Mac limits are insured by CalHFA and are to be purchased by the forward purchaser.

The lease servicer collects lease payments, manages the properties, pays property taxes and other costs of home ownership and remits the net amount of the lease payments to the master servicer. The master servicer remits available funds to the trustee for the debt service on the Pass-Through Obligations.

The forward purchaser is a major international bank that is responsible for ensuring the trustee has sufficient funds to make all principal and interest payments on the Pass-Through Obligations, and for purchasing these Obligations as discussed below. The forward purchaser has also issued a Guaranteed Investment Agreement covering all unspent proceeds of the Pass-Through Obligations.

Homes owned by Cal-MAC under the Program must be covered by home warranties, homeowners insurance, flood insurance, and earthquake insurance if available. The Program has also purchased business interruption insurance against payment defaults by lessees.

**ABAG FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS**  
Notes To Financial Statements

**NOTE 4 – HOMEOWNERSHIP LEASE PURCHASE PROGRAM (Continued)**

The Authority is not responsible for collection of lease revenues, payment of recurring ownership costs including mortgages, taxes, etc. These transactions are the responsibility of the lease servicer. To the extent that lease-purchasers are delinquent in their rent, the Trustee advances the amount of such delinquencies; at June 30, 2005, advances of \$204,017 were outstanding.

Homes purchased under the Program are carried at original cost since the Authority acts as their custodian during the Lease-Purchase period. Purchase mortgage obligations, which provide 100% of the financing of the costs of these homes, are maintained at their original value since the Authority is not responsible for making repayments on these obligations.

Except as noted below, security for the Pass-Through Obligations is limited to amounts received from the lessees and, if necessary, from the forward purchaser. Pass-Through Obligations are due July 1, 2008, but are subject to mandatory redemption when title to a home covered by the Program is transferred to the program participant under the terms of the lease purchase agreement.

Interest rates on Pass-Through Obligations are set weekly, and were 2.4% at June 30, 2005. Pass-Through Obligations may be tendered for redemption at any time; the forward purchaser is responsible for purchasing at par any that are not resold on the open market.

**B. *Unamortized Issuance Costs***

As required by generally accepted accounting principles applicable to proprietary funds, the costs of issuing the Pass-Through Obligations have been capitalized and are being amortized over the sixty-four month life of the Obligations.

**C. *Program Operations and Accounting***

The Program is designed to have a limited life. The program has been extended from the original due date of April 5, 2005 until September 30, 2005. All mortgages are to be converted or repaid by July 1, 2008, the final due date of the Pass-Through Obligations.

In the event the Program is terminated early, the forward purchaser is obligated to assume the liability for repayment of the unpaid Pass-Through Obligations then outstanding, and has the right to retain the amount of the Guaranteed Investment Contract representing the unexpended portion of the proceeds from these Obligations. In the event of termination, the Authority would not be obligated for any difference between these two amounts, nor would it have any obligation to reimburse the forward purchaser. At June 30, 2005 that difference amounted to \$3,246,891, computed as follows:



**ABAG FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS  
Notes To Financial Statements**

**NOTE 4 – HOMEOWNERSHIP LEASE PURCHASE PROGRAM (Continued)**

Authority liability assumed (asset retained) by forward purchaser:

Balance due Lease Revenue Pass-Through Obligations	\$53,845,000
Balance in Guaranteed Investment Contract	(40,876,974)
Investments held by Trustee (Note 2)	(2,396,546)
Balance in Mortgage Receivables	<u>(7,324,589)</u>
Net obligation of liquidity provider in the event of program termination	<u><u>\$3,246,891</u></u>

At June 30, 2005 the forward purchaser's net obligation was sufficient to liquidate the following Authority assets and (liabilities):

Unamortized issuance costs		\$847,643
Accounts payable		(26,523)
Receivables from Lease-Purchasers		204,017
Accumulated Program Operating Loss:		
Fiscal 2005 operating loss	\$1,139,716	
Prior years operating loss	<u>1,082,038</u>	<u>2,221,754</u>
Net obligation of liquidity provider		<u><u>\$3,246,891</u></u>

In order to provide useful information about the results of program operations, they are accounted for on the going-concern basis; that is, each period's operating revenues are reported as earned and each period's operating expenses are reported as incurred, following the accounting principles set forth in Note 1. An accrual is then made for the forward purchaser's agreement to in effect reimburse the Authority for any operating loss, by recording a General Revenue and an asset termed Operating Loss Reimbursement, which amounted to \$1,139,716 for the fiscal year ended June 30, 2005.

**NOTE 5 – WINDEMERE RANCH COMMUNITY FACILITIES DISTRICT FINANCING**

On June 25, 2004, the Authority issued \$30,000,000 in principal amount of Community Facilities District No. 2004-02 (CFD) Bonds to fund infrastructure improvements as part of the development of residential housing in the Windemere Ranch Development Area of Southern Contra Costa County.

The CFD Bonds are repayable out of special assessments on the parcels in the District, and are secured by liens on each parcel. The Authority has no liability for the repayment of the District's assessment debt. Accordingly, the Authority has not recorded this debt in its financial statements.

At June 30, 2005, the outstanding balance of District's debt was \$30,000,000.



## ***ABAG History***

In 1961, elected officials from the region's cities and counties came together to form ABAG-California's first council of governments. Since its inception, ABAG has examined regional issues like housing, transportation, economic development, education, and environment.

In 1970, ABAG broke ground with the Regional Plan, 1970-1990, the Bay Area's first comprehensive regional plan, outlining the first regional open space plan, regional information systems and technology support, criminal justice and training, water policy and waste collection, and earthquake hazards and planning.

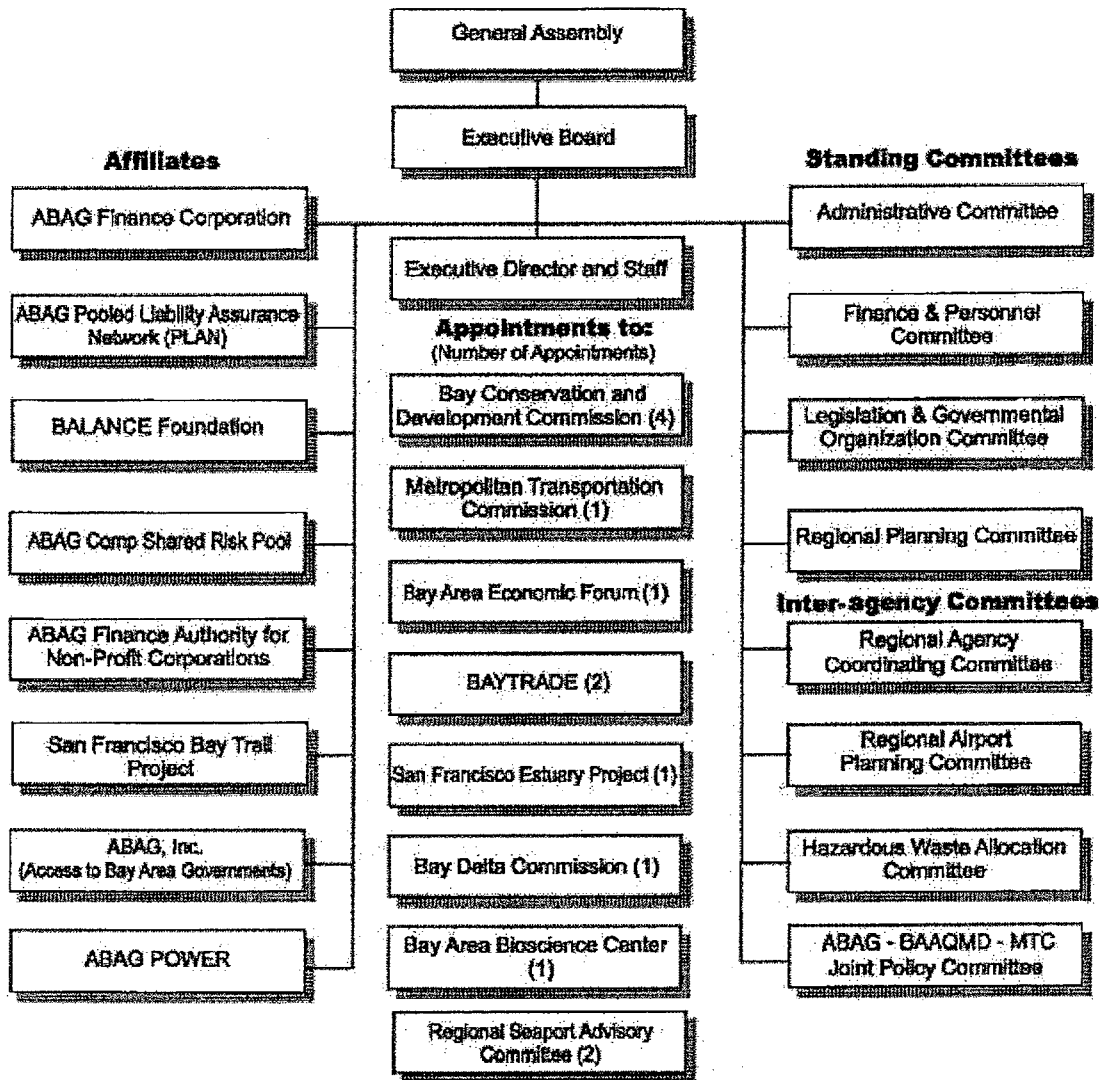
Building coalitions, task forces, and partnerships within the Bay region and beyond have typified ABAG's problem-solving approach to issues affecting the Bay Area. Today, ABAG's approach includes research and analysis, education and outreach, and cost-effective member service programs.

## ***The Association of Bay Area Governments (ABAG)***

ABAG is the official comprehensive planning agency for the San Francisco Bay region. ABAG's mission is to strengthen cooperation and coordination among local governments. In doing so, ABAG addresses social, environmental, and economic issues that transcend local borders.

The Bay Area is defined as the nine counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. The 101 cities and all nine counties within the Bay Area are voluntary members of ABAG, representing nearly all of the region's population.

## ***Governance***



An elected official from each member city and county serves as a delegate to ABAG's General Assembly. The General Assembly determines policy annually, adopts the annual budget and work program, and reviews policy actions of ABAG's Executive Board. Each delegate has one vote, and a majority of city and county votes are required for action. As an advisory organization, ABAG has limited statutory authority.

The 38-member Executive Board, assembling locally elected officials based on regional population, meets bimonthly to make operating decisions, appoint committee members, authorize expenditures, and recommend policy.

JOINT POWERS AGREEMENT

CREATING THE

ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS

Dated  
as of

April 1, 1990

Revised  
as of

September 18, 1990

June 9, 1992

JOINT POWERS AGREEMENT

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ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS  
JOINT POWERS AGREEMENT

This Agreement is made by and among the public entities listed in Appendix A ("Member Entities"), all of which are public entities organized and operating under the laws of the State of California and each of which is a public agency as defined in California Government Code Section 6500.

RECITALS

I. Government Code Sections 6500-6515, permitting two or more local public entities by agreement to jointly exercise any power common to them, authorizes the Member Entities to enter in this ABAG Finance Authority For Nonprofit Corporations Joint Powers Agreement ("Agreement").

II. Each Member Entity desires to join together with the other Member Entities for the primary purpose of assisting ~~nonprofit corporations located within the jurisdiction or~~ furthering the public purposes of the Member Entities to obtain tax-exempt financing for appropriate projects and purposes.

III. The governing board of each Member Entity has determined that it is in the Member Entity's best interest and in the public interest that this Agreement be executed and that it is participating as a member of the public entity created by this Agreement.

*Rev. the said MCA  
jurisdiction  
D*

Now therefore, the Member Entities, by, between and among themselves, in consideration of the mutual benefits, promises and agreements set forth below, hereby agree as follows:

ARTICLE I

CREATION OF THE ABAG FINANCE AUTHORITY  
FOR NONPROFIT CORPORATIONS

Pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500) (as amended from time to time, the "JPA Law"), the Member Entities create a public agency, separate and apart from the Member Entities to be known as the ABAG Finance Authority For Nonprofit Corporations (the "Authority"). Pursuant to Government Code Section 6508.1, the debts, liabilities, and obligations of the Authority shall not constitute debts, liabilities, or obligations of any party to this Agreement. A Member Entity may separately contract for or assume responsibility for specific debts, liabilities, or obligations of the Authority. The JPA shall require indemnification on behalf of itself and its members as

determined by its Board of Directors from nonprofit corporations and other entities with which it enters into agreements. For purposes of, and to the extent required by, Government Code Section 6509, in exercising its powers the Authority shall be subject to the restrictions upon the manner of exercising the powers of the city or county Member Entity specified in the Bylaws, except as otherwise authorized or permitted by the JPA Law.

## ARTICLE II

### PURPOSES

This Agreement is entered into by Member Entities under the JPA Law in order to assist nonprofit corporations and other entities to obtain financing for projects and purposes serving the public interest.

## ARTICLE III

### DEFINITIONS

In this Agreement unless the context otherwise requires:

"ABAG" means the Association of Bay Area Governments.

"Administrative Cost" means the amount charged to each Member Entity by the Authority for the Authority's general operating costs and expenses. ]

"Authority" shall mean the ABAG Finance Authority For Nonprofit Corporations.

"Board" or "Board of Directors" is the governing body of the Authority constituted as set forth in Article IX of this Agreement.

"Bylaws" means the bylaws adopted by the Board of the Authority, as amended from time to time.

"JPA Law" shall mean Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended from time to time.

"Member Entity" includes each public agency (as defined in Section 6500 of the JPA Law) which is a party to this Agreement.

## ARTICLE IV

### PARTIES TO AGREEMENT

Each Member Entity certifies that it intends to and does



contract with every other Member Entity which is a signatory to this Agreement and, in addition, with such other Member Entity as may later be added as a Member Entity under ARTICLE XVIII. Each Member Entity also certifies that the deletion of any Member Entity from this Agreement does not affect this Agreement nor each Member Entity's intent to contract with the Member Entities then remaining.

#### ARTICLE V

##### TERM OF AGREEMENT

This Agreement became effective as of April 1, 1990, and continues in full force until terminated in accordance with ARTICLE XXI.

#### ARTICLE VI

##### POWERS OF THE AUTHORITY

The Authority through its Board of Directors is authorized, in its own name, to do all acts necessary to fulfill the purposes of this Agreement referred to in ARTICLE II including, but not limited to, each of the following:

- A. Make and enter into contracts;
- B. Incur debts, liabilities and obligations; provided that no debt, liability or obligation of the Authority shall be a debt, liability or obligation of a Member Entity except as separately agreed to by a Member Entity;
- C. Acquire, hold or sell or otherwise dispose of real and personal property by eminent domain or other appropriate means;
- D. Receive contributions and donations of property, funds, services and other forms of assistance from any source;
- E. Sue and be sued in its own name;
- F. Employ agents and employees;
- G. Acquire, construct, manage and maintain buildings;
- H. Lease real or personal property as lessee and as lessor;
- I. Receive, collect, invest and disburse monies;
- J. Issue revenue bonds or other forms of indebtedness, as provided by law;

K. Carry out other duties as required to accomplish other responsibilities as set forth in this Agreement;

L. Assign, delegate or contract with a Member Entity or third party to perform any of the duties of the Board, including but not limited to, acting as administrator for the Authority; and

M. Exercise all other powers necessary and proper to carry out the provisions of this Agreement.

These powers shall be exercised in the manner provided by applicable law and as expressly set forth in this Agreement.

## ARTICLE VII

### MEMBER ENTITY RESPONSIBILITIES

Each Member Entity is, and shall remain throughout the term of its membership in this Authority, a member or cooperating member of the Association of Bay Area Governments ("ABAG"), and further has the obligations and responsibilities set forth in this Agreement and the Bylaws.

## ARTICLE VIII

### MEMBERSHIP

A. Voting Members.

*members of ABAG, but not cooperating members.*  
All ~~public agencies in the State~~ shall be eligible to join the Authority as voting Members subject to the approval of the Board of Directors.

B. Associate Membership.

1. Those public agencies located outside of the nine (9) San Francisco Bay Area Counties shall be eligible to join the Authority as Associate Members, subject to the approval of the Board of Directors.

2. Associate Members shall be entitled to attend all meetings of the Board of Directors but shall not be entitled to vote or participate in debate. Further, no representative of an Associate Member may become an officer or director of the Authority.

3. Eligible nonprofit corporations located within the jurisdictional limits of an Associate Member shall be entitled to apply to the Authority for assistance in obtaining tax-exempt financing for their projects and purposes serving the public interest which qualify for financing under the Authority's Financing Guidelines.

C. For the purposes of this Agreement, both Voting Members and Associate Members shall be referred to as "Member Entities."

## ARTICLE IX

### BOARD OF DIRECTORS

There shall be a Board of Directors to govern the affairs of the Authority. The Board shall be comprised of one director and two alternate directors from each Member Entity. Each director has one vote. One alternate director may cast a vote as a member of the Board of Directors only in the absence of the director. Each director shall be an elected official of the Member Entity. Each director shall be designated by the governing board of the respective Member Entity. The alternate directors shall be appointed by the director.

Directors and alternate directors are not entitled to compensation. The Board may authorize reimbursement of expenses incurred by directors or alternate directors.

The powers of the Board are each of the powers of the Authority not specifically reserved to the Member Entities by this Agreement.

The Member Entities retain the following powers:

A. The designation of the Board of Directors as specified in ARTICLE IX; and

B. Approval of an amendment to this Agreement as specified in ARTICLE XXIV.

## ARTICLE X

### COMMITTEES

Executive Committee. The Board may create an Executive Committee comprised of members of the Board and delegate one or more of its powers to the Executive Committee. An appointment to the Executive Committee is as set forth in the Bylaws.

Other Committees. The Board may create other committees, as desired, pursuant to the requirements of the Bylaws.

## ARTICLE XI

### BOARD AND COMMITTEE MEETINGS

The Board shall hold at least one regular meeting each

year, at which time the Board shall elect its officers as appropriate to comply with ARTICLE XII. The Board shall fix the date, hour and place at which each regular meeting is to be held. To the extent practicable, each Board meeting shall be held in Alameda County. The Chair presides at all meetings. A special meeting may be called upon written request by the Chair or at least one-third of the Member Entities.

Each regular, adjourned regular, and special meeting of the Board and of all committees shall be called, noticed, held and conducted in accordance with the Ralph M. Brown Act (Sections 54950, et seq. of the Government Code).

The Secretary shall keep or have kept minutes of each regular meeting of the Board and each committee. As soon as possible after each meeting, the Secretary shall have a copy of those minutes forwarded to each member of the Board and relevant committee.

As soon as practicable after the first meeting of the Board or within such time as fixed or extended by the Board, the Board shall approve Authority Bylaws and administrative policies and procedures for the transaction of its business to govern the day-to-day operations of the Authority. The adoption of Authority Bylaws and administrative policies and procedures requires a vote of two-thirds (2/3) of all Member Entities.

No business may be transacted by the Board without a quorum of members of the Board being present except that less than a quorum may adjourn from time to time. A quorum consists of a majority of the members of the Board.

## ARTICLE XII

### OFFICERS AND EMPLOYEES

The Officers of the Authority are the Chair, Vice-Chair, President, Chief Financial Officer and Secretary.

The officers shall be elected or appointed by the Board at its first meeting. The term of office for Chair, Vice-Chair and Secretary is one year. The President and Financial Officer shall serve as set forth in the Bylaws. The duties of the officers shall be as provided in the Bylaws. The officers shall assume the duties of their offices upon formation of the authority or as appropriate. If either the Chair, Vice-Chair or Secretary ceases to be a member of the Board, the resulting vacancy shall be filled at the next regular meeting of the Board held after the vacancy occurs.

Officers are not entitled to compensation. The Board may authorize reimbursement of expenses incurred by officers.

The Board may appoint such officers and employees and may contract with such persons or firms as it considers necessary to carry out the purposes of this Agreement.

ABAG is hereby designated to act as the administrative agency. The Member Entities acknowledge that this designation may cause potential conflicts to arise and waive any liability on the part of ABAG except for its fraud, gross negligence or mismanagement. ABAG may not be removed as the administrative agency except by reason of its fraud, gross negligence or mismanagement or by unanimous vote of the Board.

ABAG shall be reimbursed by the Authority for services rendered on the Authority's behalf.

#### ARTICLE XIII

##### FISCAL YEAR

The first fiscal year of the Authority is the period from the date of this Agreement through June 30, 1990. Each subsequent fiscal year of the Authority shall end on June 30.

#### ARTICLE XIV

##### BUDGET

The Board shall adopt an annual budget not later than sixty (60) days before the beginning of each fiscal year.

#### ARTICLE XV

##### ANNUAL AUDITS AND AUDIT REPORTS

The Chief Financial Officer shall cause an annual financial audit to be made by an independent certified public accountant with respect to all Authority receipts, disbursements, other transactions and entries into the books. A report of the financial audit shall be filed as a public record with each Member Entity. The audit shall be filed no later than required by State law. The Authority shall pay the cost of the financial audit and charge the cost against the Member Entities in the same manner as other administrative costs.

#### ARTICLE XVI

##### ESTABLISHMENT AND ADMINISTRATION OF FUNDS

The Authority is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It shall comply with every provision of law relating to the

establishment and administration of funds, particularly Section 6505 of the California Government Code.

The funds shall be accounted for on a full accrual basis.

The Chief Financial Officer shall receive, invest, and disburse funds only in accordance with procedures established by the Board and in conformity with applicable law. The Authority shall require the Chief Financial Officer to procure errors and omissions insurance or a fidelity bond.

#### ARTICLE XVII

##### ADMINISTRATIVE COST

The Board may establish the Administrative Costs of the Authority, if any, for each fiscal year and may approve a formula for allocating these Administrative Costs among Member Entities for each fiscal year. The Board may in its discretion impose fees in connection with financings, which fees will be applied against Administrative Costs of the Member Entities in the manner the Board shall determine proper.

#### ARTICLE XVIII

##### NEW MEMBERS

A new public entity may be admitted as a Member Entity only upon a two-thirds (2\3) vote of the Board of Directors.

Each applicant for membership shall pay all fees and expenses set by the Board.

#### ARTICLE XIX

##### WITHDRAWAL

Member Entities may withdraw at any time on thirty (30) days written notice subject to the following exceptions:

- 1) the restrictions of Article XXI; and
- 2) a Member Entity may not withdraw prior to the closing of a financing for which it has provided authorization as set forth in the Bylaws.

#### ARTICLE XX

##### EXPULSION

Subject to the restrictions of Article XXI, the Authority may expel a Member Entity from the Authority by a two-thirds (2/3)

vote of the Board of Directors for a breach of this Agreement or the Bylaws determined by the Board to be a material breach. The procedure for hearing and notice of expulsion of a Member Entity shall be as provided in the Bylaws.

#### ARTICLE XXI

##### TERMINATION AND DISTRIBUTION

This Agreement shall continue until terminated. However, it cannot be terminated until such time as all principal of and interest on revenue bonds and other evidences of indebtedness issued by the Authority shall have been paid in full. Thereafter, this Agreement may be terminated by the written consent of two-thirds of the Member Entities; provided, however, that this Agreement and the Authority shall continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude the obligations and affairs of the Authority.

After completion of the Authority's purposes, any surplus money on deposit in any fund or account of the Authority shall be returned in proportion to the contributions made as required by Section 6512 of the California Government Code. In the event such surplus is generated from proceeds of any financing for a nonprofit corporation or the payment to the Authority of amounts due with respect to any obligations of a nonprofit corporation, such surplus shall be distributed as provided in the applicable trust agreement. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority.

#### ARTICLE XXII

##### NOTICES

Notices to each Member Entity under this Agreement is sufficient if mailed to its respective address on file with the Authority.

#### ARTICLE XXIII

##### PROHIBITION AGAINST ASSIGNMENT

No Member Entity may assign a right, claim, or interest it may have under this Agreement. No creditor, assignee or third party beneficiary of a Member Entity has a right, claim or title to any part, share, interest, fund or asset of the Authority.

# **Attachment 4**



Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

Abag Finance Authority for Nonprofit Corporations  
Adelanto Public Financing Authority  
Agoura Hills Financing Authority  
Alameda Public Financing Authority  
Alameda-Contra Costa Schools Financing Authority  
Alhambra Public Financing Authority  
Amador County Public Facilities Financing Authority  
American Canyon Financing Authority  
Anaheim Public Financing Authority  
Anderson Public Financing Authority  
Angels Public Financing Authority  
Antioch Area public Facilities Financing Agency  
Apple Valley Public Financing Authority  
Arvin Public Financing Authority  
Atascadero Public Financing Authority  
Atwater Public Financing Authority  
Auburn Finance Authority  
Auburn Valley Public Financing Authority  
Auburn/Foresthill Financing Authority  
Avalon Joint Powers Financing Authority  
Avalon Public Financing Authority  
Avenal Public Financing Authority  
Azusa Public Financing Authority  
Baldwin Park Financing Authority ( A Joint Powers Agency)  
Baldwin Park/Monrovia School Facilities Grant Financing Authority  
Ballpark Joint Powers Finance Authority of Santa Clara Council, California  
Barstow Financing Authority  
Beaumont Financing Authority  
Bell Public Financing Authority  
Bellflower Financing Authority  
Belmont Joint Powers Financing Authority  
Berkeley Joint Powers Financing Authority  
Berkeley Union City Housing Finance Agency  
Big Bear Lake Financing Authority  
Blythe Financing Authority  
Bonita Canyon Facilities Financing Authority  
Brea Public Financing Authority  
Brentwood Infrastructure Financing Authority  
Brisbane Public Financing Authority  
Buena Park Public Financing Authority  
Burbank Public Financing Authority  
Burlingame Financing Authority  
Calaveras County School Financing Authority  
Calaveras Public Utility Financing Authority  
Calexico Financing Authority  
Calexico Special Financing Authority  
California City Financing Authority  
California Commerce Public Financing Authority  
California Communities Housing & Financing Authority  
California Communities Local Public Improvements Financing Authority  
California Community College Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

California Counties Lease Financing Authority  
California Fairs Financing Authority  
California Fire Protection Financing Authority  
California Loan Purchase Financing Authority  
California Local Government Finance Authority  
California Local Government Finance Joint Powers Authority  
California Mobile Home Financing Authority  
California Municipal Finance Authority  
California Public Capital Improvements Financing Authority (A Joint Powers Agency)  
California Public School District Financing Authority  
California Public School District Financing Authority ("The Authority")  
California Rural Financing Authority  
California Rural Home Mortgage Finance Authority  
California Special District Finance Authority  
California Statewide Delinquent Tax Finance Authority  
California Statewide Financing Authority  
California Transit Finance Authority  
California Valleys Housing Finance Authority  
Calipatria Public Financing Authority  
Calleguas-Las Virgenes Public Financing Authority  
Camarillo Public Finance Authority  
Canyon Lake Public Financing Authority  
Capistrano Unified Public Financing Authority  
Capitola Financing Authority  
Carlsbad Public Financing Authority  
Carlsbad Public Financing Authority  
Carson Public Financing Authority  
Cathedral City Public Financing Authority  
CCFC Financing Authority  
Center for Administration Finance and Retirement Services  
Central California Joint Powers Health Financing Authority  
Central California Schools Financing Authority  
Central San Joaquin Financing Authority  
Central Valley Financing Authority  
Central Valley Schools Financing Authority  
Ceres Area Joint Powers Financing Authority  
Ceres Financing Authority  
Cerritos Public Financing Authority  
Chico Public Financing Authority  
Chino Basin Regional Financing Authority  
Chino Hills Financing Authority  
Chowchilla Public Financing Authority  
Chula Vista Public Financing Authority  
Chula Vista-El Dorado-Livermore-Menlo Park Housing Finance Agency  
City and County of San Francisco Joint Powers Financing Authority  
City and County of San Francisco Redevelopment Financing Authority  
City of Alturas Financing Authority  
City of Antioch Public Financing Authority  
City of Arcata Joint Powers Financing Authority  
City of Arcata Joint Powers Financing Authority  
City of Beverly Hills Public Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

City of Campbell Public Financing Authority  
City of Chino Public Financing Authority  
City of Clearlake Public Financing Authority  
City of Commerce Joint Powers Financing Authority, The  
City of Concord Joint Powers Financing Authority  
City of Concord Joint Powers Financing Authority  
City of Crescent City Public Financing Authority  
City of Davis Public Facilities Financing Authority  
City of Diamond Bar Public Financing Authority  
City of Fort Bragg Joint Powers Financing Authority  
City of Fullerton Public Financing Authority  
City of Galt Public Financing Authority  
City of Gardena Financing Authority  
City of Glendale Financing Authority  
City of Gonzales Public Financing Authority  
City of Jackson Public Financing Authority  
City of Kingsburg Public Financing Authority  
City of Lafayette Public Facilities Financing Authority  
City of Marysville Public Financing Authority  
City of Menlo Park Joint Powers Financing Authority  
City of Menlo Park Joint Powers Public Financing Authority  
City Of Merced Public Financing Authority  
City of Monterey Joint Powers Financing Authority  
City of Mountain View Capital Improvements Financing Authority  
City of Novato Public Finance Authority  
City of Novato Public Financing Authority  
City of Oxnard Financing Authority  
City of Pacifica Financing Authority  
City of Pittsburg Joint Powers Financing Authority  
City of Pittsburg Public Finance Authority  
City of Placerville Public Finance Authority  
City of Rancho Mirage Joint Powers Financing Authority  
City of Redwood City Public Financing Authority  
City of Rio Vista Public Financing Authority  
City of San Fernando Public Financing Authority  
City of San Jose Financing Authority  
City of San Mateo Joint Powers Financing Authority  
City of San Pablo Joint Powers Financing Authority  
City of San Rafael Joint Powers Financing Authority  
City of Santa Clara Joint Financing Authority  
City of Santa Cruz Public Financing Authority  
City of Seaside Joint Powers Financing Authority  
City of South San Francisco Capital Improvements Financing Authority  
City of Tulare Public Financing Authority  
City of Walnut Creek Public Facilities Financing Authority  
City-County Capital Improvements and Financing Agency  
Claremont Financing Authority  
Clayton Financing Authority, The  
Clovis Public Financing Authority  
Coachella Financing Authority  
Coalinga Public Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

Coastal Districts Financing Authority  
Colton Public Financing Authority  
Community Redevelopment Financing Authority of the Community Redevelopment Agency of the City of Los Angeles  
Compton Public Finance Authority  
Concord-Walnut Creek Home Financing Authority  
Contra Costa Delta Highway Joint Powers Financing Authority  
Contra Costa Home Mortgage Finance Authority  
Contra Costa Schools Financing Authority  
Convention Center Expansion Financing Authority  
Corcoran Joint Powers Finance Authority  
Corona Public Financing Authority  
Coronado Financing Authority  
Corona-Norco Unified School District Public Financing Authority  
Costa Mesa Public Financing Authority  
Cotati Facilities Financing Authority  
County of Contra Costa Public Financing Authority  
County of Santa Cruz Public Financing Authority  
Countywide Public Financing Authority  
Covina Public Financing Authority  
Covina Rancho Cucamonga Calexico Downey Housing Finance Agency  
CSUCI Financing Authority  
Cudahy Financing Authority  
Culver City Redevelopment Financing Authority  
Culver City School Facilities Financing Authority  
Delano Financing Authority  
Delta Counties Home Mortgage Finance Authority  
Desert Hot Springs Public Financing Authority  
Desert Tortoise Public Financing Authority  
Dinuba Financing Authority  
Dixon Public Financing Authority  
Dos Palos Public Financing Authority  
Duarte Public Financing Authority  
East Bay-Delta Housing & Finance Agency  
East Contra Costa Regional Fee and Financing Authority  
East Contra Costa School Facilities Financing Authority  
East Garrison Public Financing Authority  
East Palo Alto Public Financing Authority  
El Cajon Public Financing Authority  
El Centro Financing Authority  
El Cerrito Public Financing Authority  
El Dorado Public Agency Financing Authority  
El Dorado Schools Financing Authority  
El Monte -Downey-San Jacinto Housing Finance Agency  
El Paso de Robles Public Financing Authority  
Elk Grove Finance Authority  
Emeryville Public Financing Authority  
Encina Financing Joint Powers Authority  
Encinitas Public Financing Authority  
Escondido Joints Powers Financing Authority  
Escondido-Chula Vista Housing Finance Agency  
Eureka Public Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

Fairfield Public Financing Authority  
Fairfield-Lincoln Housing Finance Agency  
Fairfield-Suisun Unified School District Public Financing Authority  
Fillmore Public Financing Authority  
Financing Authority for Resource Efficiency of California  
Firebaugh Public Financing Authority  
Folsom Public Financing Authority  
Fontana Public Financing Authority  
Fortuna Public Financing Authority  
Foster City Public Financing Authority  
Fountain Valley Financing Authority  
Fountain Valley Financing Authority  
Fowler Public Financing Authority  
Fremont Public Financing Authority  
Fresno County Financing Authority  
Fresno Housing Finance Agency  
Fresno Joint Powers Financing Authority  
Fresno Recreational Facilities Financing Authority  
Garden Grove Public Financing Authority  
Gilroy Public Facilities Financing Authority  
Glendora Public Financing Authority  
Golden Empire Schools Financing Authority  
Goodwin Tunnel Financing Authority  
Goshen Public Financing Authority  
Governments of Livermore Financing Authority  
Grand Terrace Public Financing Authority  
Greenfield Financing Authority  
Groveland/Tuolumne Financing Authority  
Guadalupe Public Financing Authority  
Hanford Public Financing Authority  
Hawaiian Gardens Public Financing Authority  
Hawthorne Public Financing Authority  
Hayward Public Financing Authority  
Hayward-Union City Housing Finance Agency  
Healdsburg Public Financing Authority  
Hemet Public Financing Authority  
Hercules Public Financing Authority  
Hesperia Public Financing Authority  
Highland Public Financing Authority  
Hollister Joint Powers Financing Authority  
Holtville Public Financing Authority  
Hughson Public Financing Authority  
Huntington Beach Public Financing Authority  
Huntington Park Public Financing Authority  
Huron Financing Authority  
Imperial Beach Public Financing Authority  
Imperial Public Financing Authority  
Independent Cities Lease Finance Authority  
Indian Wells Financing Authority  
Indio Public Financing Authority  
Inglewood Public Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

Inland Empire Solid Waste Financing Authority  
Intercommunity Hospital Financing Authority  
Inyo-Kern Schools Financing Authority  
Irvine Unified School District Financing Authority  
Irwindale Financing Authority Agency  
Jensen Ranch Public Financing Authority  
Joshua Basin-Hi-Desert Financing Authority  
June Lake Public Financing Authority  
Kern Public Services Financing Authority  
King City Public Financing Authority  
Kings County Public Financing Authority  
Kingsburg Financing Authority  
Kingsburg Public Financing Authority  
Kings-Tulare Single Family Home Finance Authority  
La Canada Flintridge Local Financing Authority  
La Mesa Public Financing Authority  
La Mirada Public Financing Authority  
La Quinta Financing Authority, The  
La Verne Grand Terrace Housing Finance Agency  
La Verne Public Financing Authority  
Lake Don Pedro Public Financing Authority  
Lake Elsinore Public Financing Authority  
Lake Elsinore School Financing Authority  
Lakeport Public Financing Authority  
Lakewood Public Financing Authority  
Lamorinda Fee and Financing Authority  
Lancaster - Grand Terrace - Huntington Park Housing Finance Authority  
Lancaster Financing Authority  
Larkspur Marina Financing Authority  
Lassen Vies Financing Authority  
Lathrop Financing Authority  
Lemon Grove Financing Authority  
Lemoore Financing Authority  
Lincoln Public Financing Authority  
Lindsay Financing Authority  
Livermore Capital Projects Financing Authority  
Livermore-San Leandro Home Financing Authority  
Local Medical Facilities Financing Authority  
Local Medical Facilities Financing Authority II  
Local Medical Facilities Financing Authority III  
Local Medical Facilities Financing Authority IV  
Loma Linda Public Financing Authority  
Lompoc 1992 Water and Wastewater Improvements Financing Authority  
Long Beach Bond Financing Authority  
Long Beach Financing Authority  
Los Angeles County Public Works Financing Authority  
Los Angeles County Sanitation Districts Financing Authority  
Los Banos Public Financing Authority  
Lynwood Public Financing Authority  
Madera County Public Financing Authority  
Madera Irrigation Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

Madera Public Financing Authority  
Manteca Financing Authority  
Marin County Improvements Financing Authority  
Marin County Open Space Finance Authority  
Marina Joint Powers Financing Authority  
Maywood Financing Authority ( A Joint Powers Agency)  
Maywood Public Financing Authority  
Mendota Joint Powers Financing Authority  
Menifee Union School District Public Financing Authority  
Mid Valley Public Financing Authority  
Middle Fork Project Finance Authority  
Midpeninsula Regional Open Space District Financing Authority  
Mill valley Public Financing Authority  
MillBrae Public Financing Authority  
Milpitas Public Financing Authority  
Mission Viejo Community Development Financing Authority  
Mobilehome Financing Authority  
Modesto Irrigation District Financing Authority  
Modesto Public Financing Authority  
Mokelumne Hill Sanitary District Financing Authority  
Monrovia Financing Authority  
Montclair Financing Authority  
Montclair-Pomona Housing Finance  
Monterey County Educational Delinquent Tax Finance Authority  
Monterey County Financing Authority  
Monterey Park Public Financing Authority  
Monterey Regional Wastewater Finance Authority  
Moorpark Public Financing Authority  
Moreno Valley Public Financing Authority  
Moreno Valley Unified School District Financing Authority  
Morgan Hill Financing Authority  
Murietta Valley Unified School District Public Financing Authority  
Murrieta Financing Authority  
Murrieta Water Public Financing Authority  
National City Joint Powers Financing Authority  
Needles Public Financing Authority  
New Jerusalem Area Public Facilities Financing Agency  
Newark Public Financing Authority  
Newman Public Financing Authority  
Newport-Mesa Unifies School District Public Financing Authority  
Norco Financing Authority  
North City West School Facilities Financing Authority  
North County Schools Financing Authority  
North Lake Tahoe Public Financing Authority  
North San Diego County Health Facilities Financing Authority  
Northern California Home Mortgage Finance Authority  
Norwalk Community Facilities Financing Authority  
Novato Financing Authority Joint Powers Authority  
Nuvview/Paris School Facilities Financing Authority  
Oakdale Public Financing Authority  
Oakland Joint Powers Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

Oakley Public Financing Authority  
Oceanside Mobile Home Park Financing Authority  
Oceanside Public Financing Authority  
Oceanside Redevelopment Public Financing Authority  
Old Town/Westside Community Facilities District Financing Authority  
Ontario Redevelopment Financing Authority  
Orange County Financing Authority  
Orange County Public Financing Authority  
Orange County School Districts Financing Authority  
Orange County School Districts Financing Authority  
Orange County Special Financing Authority  
Orange Cove Public Financing Agency  
Orange Unified School District Public Financing Authority  
Oroville Public Financing Authority  
Pacific Housing & Finance Agency  
Pacific Valleys Schools Financing Authority  
Palm Desert Financing Authority  
Palm Springs Financing Authority  
Palo Verde Cemetery Financing Authority  
Paradise Public Financing Authority  
Paramount Public Financing Authority  
Parlier Public Financing Authority  
Pasadena Public Financing Authority  
Patterson Public Financing Authority  
Perris Public Financing Authority  
Petaluma Public Financing Authority  
Pico Rivera Public Financing Authority  
Pinole Joint Powers Financing Authority  
Pismo Beach Public Financing Authority  
Pittsburg Infrastructure Financing Authority  
Placentia Public Financing Authority  
Placer County Public Financing Authority  
Pleasant Hill Joint Powers Financing Authority  
Pleasanton Joint Powers Financing Authority  
Pleasanton-Newark Home Financing Authority  
Pleasanton-Suisun City Home Financing Authority  
Port Hueneme Covina housing Finance Agency  
Port Hueneme Public Financing Authority  
Porterville Public Financing Authority  
Portola Water Financing Authority  
Poway Public Financing Authority  
Poway Unified School District Public Financing Authority  
Public Facilities Financing Authority of the City of San Diego  
Public Financing Authority of the City of Montebello  
R.E. Badger Water Facilities Financing Authority  
Rancho California Water District Financing Authority  
Rancho Canada Financing Authority  
Rancho Cucamonga Public Financing Authority  
Rancho Cucamonga Public Financing Authority  
Rancho Cucamonga-Palmdale-Porterville0Colton Finance Agency  
Rancho Lucerne Valley Public Financing Authority



Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

Redding Joint Powers Financing Authority  
Redding-Shasta Home Financing Authority  
Redlands Finance Authority  
Redlands Financing Authority  
Redondo Beach Public Financing Authority  
Redwood Empire Financing Authority  
Reedley Public Financing Authority  
Resource Recovery Financing Authority  
Rialto Public Financing Authority  
Richmond Joint Powers Financing Authority  
Rio Mesa Public Financing Authority  
Ripon Public Financing Authority  
River City Regional Stadium Financing Authority  
River Islands Public Financing Authority  
Riverside County Palm Desert Financing Authority  
Riverside County Public Financing Authority  
Riverside County School Financing Authority  
Riverside Public Financing Authority  
Riverside-San Bernardino Housing & Finance Agency  
RNR School Financing Authority  
Rocklin Public Financing Authority  
Roddy Ranch Public Financing Authority  
Rohnert Park Financing Authority  
Rohnert Park Housing Financing Authority  
Rosemead Financing Authority  
Roseville Finance Authority  
Sacramento City Financing Authority  
Sacramento County Public Financing Authority  
Sacramento County Sanitation Districts Financing Authority  
Sacramento County Water Financing Authority  
Sacramento Detention Facilities Financing Authority  
Sacramento Municipal Utility District Financing Authority  
Sacramento Regional Arts Facilities Financing Authority  
Saddleback Valley Unified School District Public Financing Authority  
Salida Area Public Facilities Financing Agency  
Salinas Public Financing Authority  
Salinas-Monterey-Marina Finance Agency  
San Andreas Sanitary District Financing Authority  
San Bernardino Associated Communities Financing Authority (SANBAC)  
San Bernardino Colton/Loma Linda Joint Powers Financing Authority  
San Bernardino Joint Powers Financing Authority  
San Bernardino Park Acquisitions Joint Powers Financing Authority (SANPAC)  
San Bernardino-Crestline Financing Authority  
San Bernardino-Indio Housing Finance Agency  
San Bruno Public Financing Authority  
San Diego Area Housing and Finance Agency  
San Diego City Schools Financing Authority  
San Diego Redevelopment Financing Authority  
San Dimas Public Financing Authority  
San Francisco Bay Area Transit Financing Authority  
San Gabriel Valley Schools Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

San Jacinto Financing Authority  
San Joaquin Public Financing Authority  
San Jose-Santa Clara Clean Water Financing Authority  
San Juan Capistrano Public Financing Authority  
San Leandro Public Financing Authority  
San Luis Obispo County Financing Authority  
San Marcos Public Financing Authority  
San Marcos Schools Financing Authority  
San Mateo County Joint Powers Financing Authority  
San Mateo-Foster City School Facilities Financing Authority  
San Ramon Public Financing Authority  
Sand Joint Powers Financing Authority  
Sanger Public Financing Authority  
Santa Ana Financing Authority  
Santa Barbara County Schools Financing Authority  
Santa Barbara Financing Authority  
Santa Barbara Redevelopment Public Financing Authority  
Santa Clara County Financing Authority  
Santa Clarita Public Financing Authority  
Santa Clarita Road Financing Authority  
Santa Cruz City Schools Financing Authority  
Santa Cruz-Hayward Housing Finance Agency  
Santa Fe Springs Public Financing Authority  
Santa Maria Public Financing Authority  
Santa Monica Public Financing Authority  
Santa Paula Public Financing Authority  
Santa Rosa Public Financing Authority  
Santee Public Financing Authority  
Saratoga Public Financing Authority  
Saugus Hart School Facilities Financing Authority  
Schools for Sound Finance  
Schools Infrastructure Financing Agency  
Scotts Valley Joint Bowers Financing Authority  
Seal Beach Public Financing Authority  
Sebastopol Financing Authority  
Selma Public Financing Authority  
Semitropic Financing Authority  
Shafter Joint Powers Financing Authority  
Shasta Joint Powers Financing Authority  
Shasta Lake Public Financing Authority  
Sierra Foothills Public Financing Authority  
Sierra Madre Financing Authority  
Sierra Nevada Public Financing Authority  
Sierra Valley Hospital Financing Authority  
Sierra-Central Valley Public Financing Authority  
Signal Hill Public Financing Authority  
Simi Valley Public Financing Authority  
Solana Beach Public Financing Authority  
Solano Financing Authority  
Soledad Community Park Financing Authority  
Soledad Public Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

Solvang Joint Powers Financing Authority  
Sonoma County Home Financing Authority  
Sonoma County Public Financing Authority  
Sonoma County Water and Wastewater Financing Authority  
Sonoma Public Financing Authority  
Sonora Public Financing Authority  
South El Monte Financing Authority  
South Gate Public Financing Authority  
South Orange County Public Financing Authority  
South Tahoe joint Powers Financing Authority  
South Tahoe Joint Powers Parking Financing Authority  
Southern California Home Financing Authority  
Stanislaus County Capital Improvements Financing Authority  
Stanislaus Waste-to Energy Financing Agency  
Stockton Public Financing Authority  
Stockton-Vacaville Home Financing Authority  
Suisun City Public Financing Authority  
Sunnyvale Financing Authority  
Susanville Public Financing Authority  
Susanville Public Financing Authority  
Sutter Creek Public Financing Authority  
Sweetwater Union High School District Public Financing Authority  
Taft Public Financing Authority  
Tehachapi Public Financing Authority  
Tejon Ranch Public Facilities Financing Authority  
Temecula Public Financing Authority  
Temple City Financing Authority  
The Bell Gardens Financing Authority  
The Brentwood Joint Powers Financing Authority  
The Central Solano Financing Authority  
The Central Valley School Districts Financing Authority  
The County of Kern-City of Downey Housing Finance Agency  
The Montebello -Oxnard Housing Finance Agency  
The Nevada County Finance Authority  
The Riverbank Public Financing Authority  
The San Buenaventura Covina Housing Finance Agency  
The Southwest Communities Financing Authority  
Thousand Oaks Public Financing Authority  
Torrance Financing Authority  
Torrance Public Financing Authority  
Town of Danville Financing Authority  
Trabuco Canyon Public Financing Authority  
Tracy Area Public Facilities Financing Agency  
Tri-City Housing Finance Agency  
Truckee Public Financing Authority  
Tulare County Public Financing Authority  
Tulare County Schools Financing Authority  
Tulare-Porterville Schools Financing Authority  
Turlock Public Financing Authority  
Turlock Public Schools Financing Authority  
Tustin Public Financing Authority

Listing of "Financing" in Joint Powers Authority Names

**JPA Name**

Union City Public Financing Authority  
Union Sanitary District Financing Authority  
Upland Public Financing Authority  
Vacaville Public Financing Authority  
Val Verde Unified School District Financing Authority  
Vallejo Public Financing Authority  
Ventura Cities Mortgage Financing Authority  
Ventura County Public Financing Authority  
Vernon Natural Gas Financing Authority  
Victorville Joint Powers Financing Authority  
Visalia Public Finance Authority  
Vista Joint Powers Financing Authority  
Walnut Public Financing Authority  
Wasco Public Financing Authority  
Waterford Public Financing Authority  
Wateruse Finance Authority  
Watsonville Joint Powers Financing Authority  
West and Central Basin Financing Authority  
West Covina Public Financing Authority  
West End Communications Financing Authority  
West Hollywood Public Financing Authority  
West Orange County Schools Finance Authority  
West Patterson Financing Authority  
West Sacramento Financing Authority  
Western Riverside Water and Wastewater Financing Authority  
Westminster Public Financing Authority  
Westmorland Public Financing Authority  
Whittier Public Financing Authority  
William S. Hart Joint School Financing Authority  
Willows Public Financing Authority  
Winchester Hills Financing Authority  
Windsor Joint Powers Financing Authority  
Winters Branch Library Financing Authority  
Winters Public Finance Authority  
Woodlake Schools Financing Authority  
Woodland Finance Authority  
Y/S School Facilities Financing Authority  
Yolo County Public Agencies Financing Authority  
Yorba Linda Public Financing Authority  
Yuba City Public Financing Authority  
Yucaipa Public Financing Authority  
Yucca Valley Public Financing Authority

# **Attachment 5**



# State of California Secretary of State

FILE NO. \_\_\_\_\_

## NOTICE OF A JOINT POWERS AGREEMENT

(Government Code Section 6503.5 or 6503.7)

### Instructions:

1. Complete and mail to: Secretary of State, P.O. Box 942877, Sacramento, CA 94277-0001 (916) 653-3984
2. Include filing fee of \$1.00.
3. Do not include attachments, unless otherwise specified.

(Office Use Only)

The name of the agency or entity created under the agreement and responsible for the administration of the agreement is: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Provide a short title of the agreement if applicable: \_\_\_\_\_

The public agencies party to the agreement are:

- (1) \_\_\_\_\_
- (2) \_\_\_\_\_
- (3) \_\_\_\_\_

If more space is needed, continue on a separate sheet and attach it to this form.

The effective date of the agreement is: \_\_\_\_\_

Provide a condensed statement of the agreement's purpose or the powers to be exercised: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name and Title



**State of California**  
**Kevin Shelley**  
**Secretary of State**

FILE NO. 1852

**FILED**  
 in the office of the Secretary of State  
 of the State of California

JUL 30 2003

*Kevin Shelley*  
 KEVIN SHELLEY, SECRETARY OF STATE

(Office Use Only)

**NOTICE OF A JOINT POWERS AGREEMENT**  
 (Government Code Section 6503.5 or 6503.7)

Instructions:

1. Complete and mail to: Secretary of State, P.O. Box 942877, Sacramento, CA 94277-0001 (916) 653-3984
2. Include filing fee of \$1.00.
3. Do not include attachments, unless otherwise specified.

The name of the agency or entity created under the agreement and responsible for the administration of the agreement is: CALIFORNIA PUBLIC SCHOOL DISTRICT FINANCING AUTHORITY

Mailing Address: c/o Western Placer Unified School District, 810 J Street, Lincoln, CA 95648

Provide a short title of the agreement if applicable: Joint Exercise of Powers Agreement 95648  
Creating the California Public School District Financing Authority

The public agencies party to the agreement are:

- (1) WESTERN PLACER UNIFIED SCHOOL DISTRICT
- (2) LINDSAY UNIFIED SCHOOL DISTRICT
- (3) \_\_\_\_\_

If more space is needed, continue on a separate sheet and attach it to this form.

The effective date of the agreement is: June 25, 2003

Provide a condensed statement of the agreement's purpose or the powers to be exercised:

The purpose of creating the California Public School District Financing Authority is to exercise the powers of its members to jointly accomplish the financing or refinancing of the acquisition and/or construction of school facilities and related items for such members.

July 24, 2003

Date

*Jay M. Stewart*  
 Signature  
Jay M. Stewart, President  
 Typed Name and Title



State of California  
 March Hong Eu  
 Secretary of State

FILE NO. 1451

FILED  
 in the office of the Secretary of State  
 of the State of California

JUN 28 1995

*Bill Jones*  
 BILL JONES, Secretary of State

(Office Use Only)

NOTICE OF A JOINT POWERS AGREEMENT  
 (Government Code Section 6503.5 or 6503.7)

Instructions:

1. Complete and mail to: Secretary of State, P.O. Box 944225, Sacramento, CA 94244-2250 (916) 324-6778
2. Include filing fee of \$5.00.
3. Do not include attachments, unless otherwise specified.

The name of the agency or entity created under the agreement and responsible for the administration of the agreement is: California Community College Financing Authority

Mailing address: 2017 "O" Street, Sacramento, CA 95814

Provide a short title of the agreement if applicable: Joint Powers Agreement

The public agencies party to the agreement are:

(1) Butte Community College District

(2) State Center Community College District

(3) \_\_\_\_\_

if more space is needed, continue on a separate sheet and attach it to this form.

The effective date of the agreement is: May 18, 1995

Provide a condensed statement of the agreement's purpose or the powers to be exercised: The purpose of the Agreement is to create the Authority in order to accomplish the purposes of Chapter 5 of Division 7 of Title 1 of the California Government Code. The Authority shall have all the powers common to its members and all powers granted by applicable law.

Date: June 19, 1995

*David Viar*  
 Signature

David Viar, Executive Director  
 Typed Name and Title







State of California  
Secretary of State

FILE NO. 1987

**FILED**  
in the office of the Secretary of State  
of the State of California

JUN 14 2006

(Office Use Only)

**NOTICE OF A JOINT POWERS AGREEMENT**  
(Government Code Section 5503.5 or 6503.7)

Instructions:

1. Complete and mail to: Secretary of State, P.O. Box 942877, Sacramento, CA 94277-0001 (916) 653-3984
2. Include filing fee of \$1.00.
3. Do not include attachments, unless otherwise specified.

The name of the agency or entity created under the agreement and responsible for the administration of the agreement is: California Enterprise Development Authority

Mailing Address:  550 Bercut Drive, Suite G, Sacramento, California 95814

Provide a short title of the agreement if applicable: Joint Exercise of Powers Agreement

The public agencies party to the agreement are:

- (1) City of Eureka
- (2) City of Lancaster
- (3) City of Selma

If more space is needed, continue on a separate sheet and attach it to this form.

The effective date of the agreement is: June 1, 2006

Provide a condensed statement of the agreement's purpose or the powers to be exercised:

The Agreement provides for the joint exercise of powers common to the Members and for other purposes as permitted under the Act and as agreed by one or more of the parties thereto. The primary purpose of the Agreement is to assist the Members and for-profit and nonprofit organizations located within the jurisdictions of the Members in financing industrial and commercial development projects and other public purpose projects.

Date June 13, 2006

Signature  
Wayne Schell, Chairman

Typed Name and Title



*Building Communities. Investing in Local Government Since 1988*

February 12, 2008

Senator Gloria Negrete McLeod  
Chair, Senate Local Government Committee  
State Capitol, Room 2059  
Sacramento, CA 95814

RE: Conduit Financing – Transparency and Accountability Informational Hearing  
Written Testimony

Dear Senator Negrete-McLeod:

The California Statewide Communities Development Authority (California Communities) would like to thank the Local Government Committee for the opportunity on February 6, 2008, to discuss key policy questions raised by the Senate Office of Research memorandum. Below you will find a copy of the comments California Communities prepared for the hearing along with a point of clarification to a statement made by Deputy Treasurer, Tricia Wynne.

**Clarification**

At the conclusion of Ms. Wynne’s testimony, Senator Christine Kehoe asked Ms. Wynne whether the debt issued by conduit JPAs affects the State of California debt rating or State of California’s ability to borrow funds. Ms. Wynne answered “yes” which is an indication that in fact the debt issued by conduit JPAs does affect the State of California’s rating and ability to borrow funds.

California Communities would request the record accurately reflect that conduit JPA debt does in no way affect the State of California’s debt rating or ability to borrow funds. Conduit JPA debt remains the obligation of each respective conduit JPA, not the State of California. Conduit JPA debt is repaid solely from monies derived by the borrower and the respective project financed. The State of California is no way responsible for the repayment of any debt issued by conduit JPAs throughout the state.

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*Founding Co-Sponsors:*



2033 North Main Street, Suite 700 • Walnut Creek, California 94596

800.635.3993 • 925.933.9229 • Fax 925.933.8457 • [info@cacommunities.org](mailto:info@cacommunities.org) • [www.cacommunities.org](http://www.cacommunities.org)

## Written Comments

### 1. Overview

California Communities derives its authority from our nearly 500 local government members. We were created by local governments to serve the unique needs of local governments and eligible entities to fund projects that benefit the local community. Cal Communities provides an important service to local governments and their constituents. Since 1988, California Communities has issued more than \$34 billion in bonds to build community infrastructure, provide affordable housing, create jobs, build hospitals, school facilities and more.

### 2. Increased Competition & Affect on Public Benefit

The fact that there are varied options for borrowers, whether through conduit JPAs, local governments, state education agencies or the State Treasurer's Office, means more competition for better services and lower costs.

- The assumption that JPA conduit issuance has grown significantly faster than STO conduit issuance is not supported by bond issuance data from California Debt and Investment Advisory Commission (CDIAC) – **See Attached Charts**
  - Over the last 3 years STO conduits have maintained a 17% market share of the bonds issued for healthcare, higher education, and pollution control in California
  - Over the same period, the JPA and other conduit issuer market share has remained at relatively at the same levels with a slight redistribution of conduit issuance from local issuers to JPA conduit issuers in 2007.
  - Local government and state education agencies have a greater than 60% market share of the bonds issued by both STO and JPA conduits.
- In 2007, the California marketplace witnessed a redistribution of healthcare issuance away from the STO conduit (CHFFA) due in part to a new pass through savings fee. As the attached charts show, the largest share of healthcare issuances were assumed by other local government issuers, not conduit JPAs
- STO conduits, JPA conduits, and other government issuers are required to meet the same federally required public benefit criteria to qualify projects for tax-exempt financing.

### 3. Administrative Fees

- California Communities is run without outside public funding or taxpayer subsidies. Income is derived solely from fees comparable to other conduits charged primarily to private project applicants.

- California Communities complies with California Government Code 6588 which states JPAs cannot charge local agency members for administrative costs and expenses above the JPAs cost of issuance.
- For fiscal year end June 30, 2007, California Communities issued more than \$775 million in pooled bonds for 52 local agency participants. California Communities issuance fee charged to local agencies was approximately \$163,000. On average each local agency paid an issuance fee to California Communities of approximately \$3,140. Less than 1% of California Communities revenues were paid by public agencies for fiscal year end 2007.
- California Communities fees vary somewhat from program to program based on the level of service and each requires. California Communities feels post-issuance compliance activities to ensure the viability of the program and to continued public benefit are a must. Other conduit issuers may not provide such services.
- California Communities returns more than 1/3 of its revenues to local government in the form of low-cost, pooled finance programs and through its sponsors, the League of California Cities (League) and California State Association of Counties (CSAC) which use those funds to further the public benefit mission of these organizations.
- For example, after recovering the cost of staff involvement in the oversight of California Communities, the boards of directors of the League of California Cities and CSAC both use revenues like those derived from California Communities to support nonprofit organizations such as the Institute for Local Government (which provides research and training to local government officials on climate change strategies, ethics, civic engagement, etc.) and the City-County School Partnership (which promotes local government collaboration on programs affecting children). Additionally, funding is provided by both organizations to support training and professional development programs for local government leaders through numerous programs at Cal-ICMA (International City/County Management Association) and the Berkeley Executive Seminar (BES), University of California.

#### 4. **Financial Reporting Requirements**

- California Communities complies with all applicable laws and regulations on financial reporting requirements and files the necessary certification with the State Controller's office each year. California Communities supports additional transparency requirements as required.

#### 5. **California Communities Oversight**

- California Communities is governed by a Commission made up of local government specialists who are appointed by City and County elected officials to provide for the integrity, policy direction and general oversight.

- Additionally, California Communities has nearly 500 local agency members that provide oversight for each locally reviewed and approved project prior to California Communities issuance of bonds.
- Finally, Internal Revenue Service - all tax-exempt bonds issued by California Communities are subject to review and audit by the Internal Revenue Service

## 6. Public Meeting Requirements

- California Communities requires each project to be reviewed and approved by the elected governing body of the local community where the project is located and where the residents are directly impacted. This is done through a city council or county board of supervisors public vote
- In addition, all projects must be reviewed and approved by California Communities Commission members at a meeting in Sacramento.
- This extra layer of local review required by California Communities often provides important insight into the local landscape and provides opportunity for local elected officials, stakeholders and residents to weigh in on these local public benefit projects.
- STO authorities have a distinct advantage over JPA public meeting requirements by satisfying its obligations only in Sacramento without the benefit of local review and approval by the community most affected by the project.

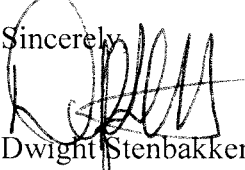
- California Communities is required to provide public notice and an opportunity for public involvement for each project financing at two levels: (1) at the local level where project resides, and (2) California Communities Commission meeting in Sacramento

### **Local agency approval process includes:**

- 14-day advance legal notice in newspaper of general circulation serving its community
- Internet and general location posting of City Council or Board of Supervisors agendas, including public hearing notice
- A formal public presentation and public vote of the local governing body (city council or county board of supervisors).

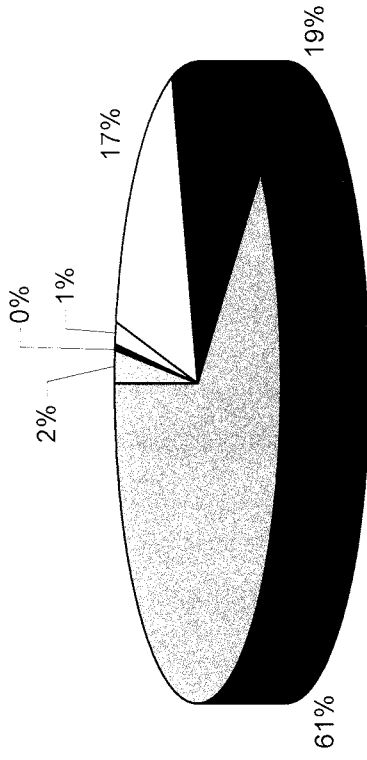
### **California Communities Commission approval includes:**

- 24 to 72 hour advance meeting agenda posting at CSAC office location in accord with Ralph M. Brown Act
- Internet posting of California Communities meeting agenda 48 to 72 hours in advance

Sincerely,  
  
 Dwight Stenbakken

ABAG Finance Authority for Nonprofit Corporations 603292000  
 California Enterprise Development Authority 64695000  
 California Municipal Finance Authority 462468000  
 STO Authorities (CHFFA, CEFA, CPCFA) 6158400676  
 California Statewide Communities Development Authority 6889792165  
 Other (local issuers, hospital districts, college districts, UC Regents, CSU, etc.) 22434525665

**2005-2007 Healthcare, Higher Ed, Pollution Control Bonds**

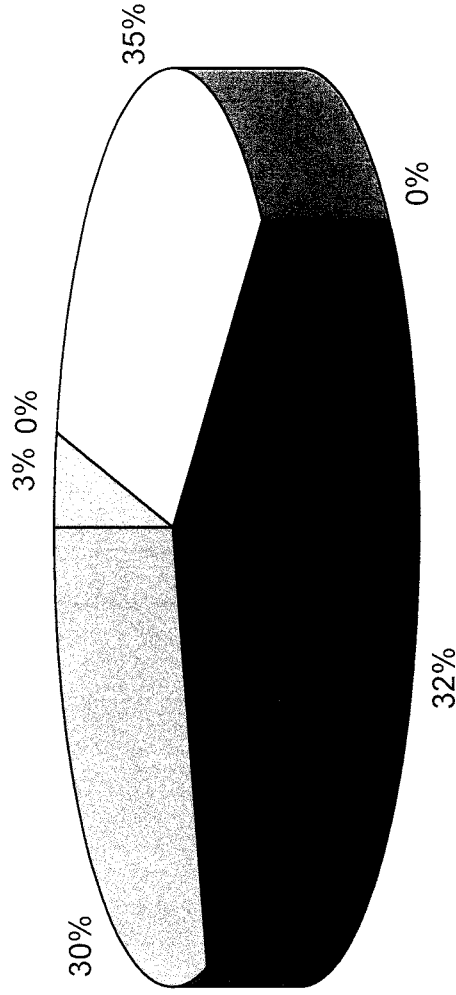


- ABAG Finance Authority for Nonprofit Corporations
- California Enterprise Development Authority
- California Municipal Finance Authority
- STO Authorities (CHFFA, CEFA, CPCFA)
- California Statewide Communities Development Authority
- Other (local issuers, hospital districts, college districts, UC Regents, CSU, etc.)

Source: California Debt and Investment Advisory Committee (CDIAC)

ABAG Finance Authority for Nonprofit Corporations	137440000
California Enterprise Development Authority	0
California Health Facilities Financing Authority	1404340000
California Municipal Finance Authority	0
California Statewide Communities Development Authority	1289798165
Other (local issuers, hospital districts, UC Regents, etc.)	1199778043

### 2005-2006 Healthcare Bonds

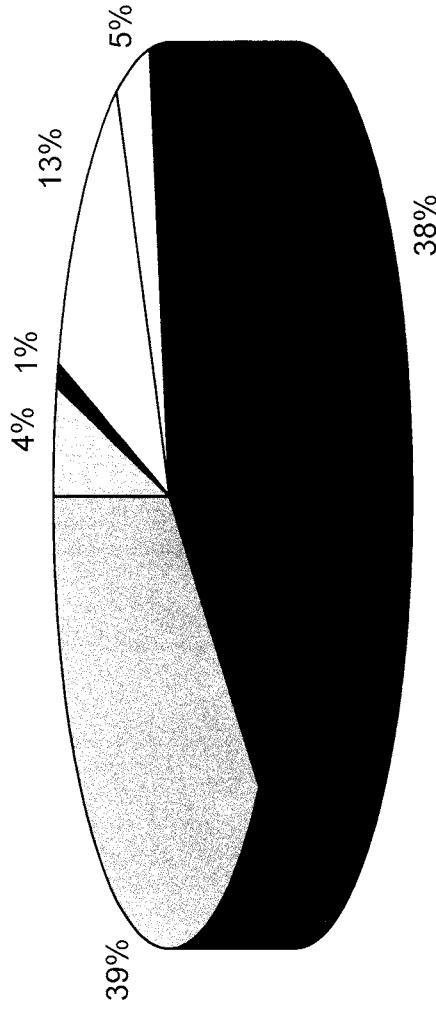


- ABAG Finance Authority for Nonprofit Corporations
- California Enterprise Development Authority
- California Health Facilities Financing Authority
- California Municipal Finance Authority
- California Statewide Communities Development Authority
- Other (local issuers, hospital districts, UC Regents, etc.)

Source: California Debt and Investment Advisory Committee (CDIAC)

ABAG Finance Authority for Nonprofit Corporations	286912000
California Enterprise Development Authority	53195000
California Health Facilities Financing Authority	946495000
California Municipal Finance Authority	350240000
California Statewide Communities Development Authority	2892635000
Other (local issuers, hospital districts, UC Regents, etc.)	2874086407

### 2007 Healthcare Issuance



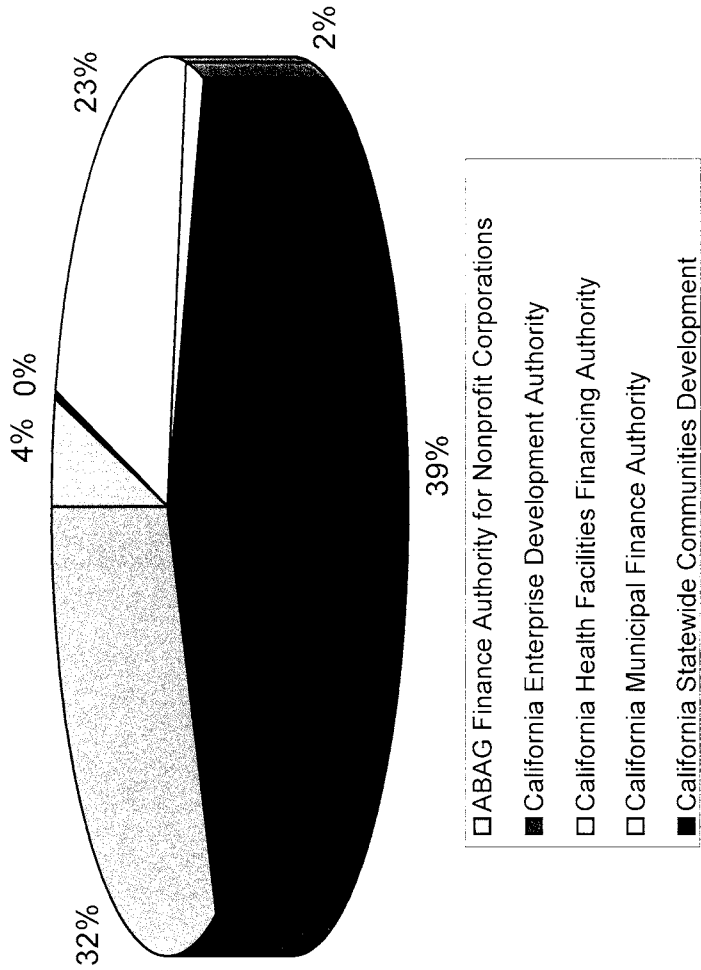
- ABAG Finance Authority for Nonprofit Corporations
- California Enterprise Development Authority
- California Health Facilities Financing Authority
- California Municipal Finance Authority
- California Statewide Communities Development Authority
- Other (local issuers, hospital districts, UC Regents, etc.)

Source: California Debt and Investment Advisory Committee (CDIAC)



ABAG Finance Authority for Nonprofit Corporations	567592000
California Enterprise Development Authority	64695000
California Health Facilities Financing Authority	3521615000
California Municipal Finance Authority	370240000
California Statewide Communities Development Authority	5695352165
Other (local issuers, hospital districts, UC Regents, etc.)	4821608441

## 2005-2007 Healthcare Bonds



Source: California Debt and Investment Advisory Committee (CDIAC)



*Building Communities Through Local Government Since 1988*

January 31, 2008

Senator Gloria Negrete McLeod  
Chair, Senate Local Government Committee  
State Capitol, Room 2059  
Sacramento, CA 95814

RE: Conduit Financing – Transparency and Accountability Informational Hearing

Dear Senator Negrete McLeod:

The California Statewide Communities Development Authority (CSCDA or California Communities) would like to thank the Local Government Committee for the opportunity on February 6, 2008, to discuss key policy questions raised by the Senate Office of Research memorandum. For more than two decades, California Communities helped local governments and eligible private entities access tax-exempt bonds to finance affordable housing, hospitals, school facilities, manufacturing facilities, and other public benefit projects. Our efforts have helped local entities pursue projects that benefit their residents.

As part of its testimony, California Communities would like to provide the following detail that the Local Government Committee might find valuable in advance of the informational hearing.

### **What is California Communities?**

California Communities was created in 1988 by local government, for local government as a means to efficiently, effectively, and reliably fund community-based public benefit projects on their behalf. California Communities has been effective in meeting its public purpose with local government as indicated by a voluntary membership of more than 470 public agencies, including every California county, most of the cities, and many special districts.

California Communities is considered a full service issuing authority that offers a broad range of conduit issuance services ranging from low-cost, pooled finance programs designed to directly assist local governments to a variety of private activity bond programs that provide capital financing for affordable housing, health care, education, other nonprofit entities, manufacturing, and pollution control facilities; all designed to provide critical services to support local governments and their constituencies (please see **California Communities Community Benefit Report - Attachment I**).

*Boarding Co-Sponsors:*



LEAGUE  
OF CALIFORNIA  
CITIES

California Statewide Communities Development Authority

2033 North Main Street, Suite 500 • Walnut Creek, California 94596

800.687.3092 • 925.933.9199 • Fax: 925.933.9457 • info@calcommunities.org • www.calcommunities.org

In 2007, California Communities issued more than \$5 billion in total debt. A comparison of the State Treasurer Office (STO) authorities, other issuers and California Communities issuance volume for healthcare, higher education, and pollution control projects from 2005 through 2007 demonstrates the historical distribution of issuance among the various conduits. Some key highlights to note from data obtained through the California Debt and Investment Advisory Commission include:

- From 2005 to 2007, 61% of healthcare, higher education, and pollution control bonds in the state were issued by local, district, and state agencies, not pure conduit issuers
- Of the remaining 39% of healthcare, higher education, and pollution control bonds from 2005 to 2007, the STO authorities issued 17%, California Communities issued 19%, and other conduits issued 3%
- From 2005 to 2006, the STO conduit, CHFFA, issued 35% of healthcare bonds, California Communities issued 32%, local and district agencies issued 30%, and other conduits issued 3%
- In 2007, there was a significant shift in healthcare issuance due, in part, to a new STO application of the CHFFA pass through savings statute
- In 2007, the STO conduit, CHFFA, issued 13% of healthcare bonds, California Communities issued 38%, local and district agencies issued 39%, and other conduits issued 10%

California Communities provides local governments and eligible private entities a responsible method for accessing the tax-exempt bond markets and offers a positive alternative for a healthy and competitive issuance environment in California.

We have sought to address each of the major policy questions raised in the Senate Research report as noted below:

### **Transparency**

- California Communities Board of Commissioners is appointed by city and county elected officials and is accountable to each city and county member directly.
- California Communities, as a pure conduit issuer, has no assets, liabilities, revenues, or expenses of its own to report, but is pursuing the provision of other types of financial transparency that will provide a comprehensive public view of the scope of its operations.
- California Communities is actively engaged with its public agency members to facilitate public benefit projects that provide local solutions for California's future.

- California Communities website provides public access to all formation documents, meeting agendas, issuance policies and procedures, fees, a list of members, a list of Commissioners, and lists of bond projects financed.

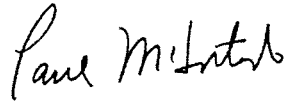
### Accountability

- California Communities requires local member review and approval of the proposed project and the associated public benefits in the community where the project is located.
- California Communities Commissioners require each project to meet specific economic development and public benefit criteria in the interest of its public agency members and their constituents.
- California Communities requires that each bond financing is publicly noticed and vetted through two public hearings and public review and approval by the local elected governing body and the California Communities Commissioners.
- California Communities issuance policies have been established in accordance with the guidelines of the Municipal Securities Rulemaking Board (MSRB).
- California Communities is administered without public funding or taxpayer subsidies. Income is derived from fees charged primarily to private project applicants.
- California Communities requires full compliance with CEQA prior to approving the issuance of bonds in accord with existing law.
- California Communities maintains a comprehensive database of all projects issued with established internal procedures to track and monitor borrowers activities for post-issuance compliance.

California Communities supports the Committee's effort to ensure transparency and accountability while considering the positive and productive impact conduit issuers have had in producing a diverse range of high quality public benefit projects that enhance local communities throughout California.

I trust that you find the additional information valuable and informative as to the positive contribution California Communities has made to the State of California over the last 20 years. California Communities appreciates the opportunity to provide further testimony on February 6, 2008.

Sincerely,

A handwritten signature in black ink that reads "Paul McIntosh". The signature is written in a cursive, slightly slanted style.

Paul McIntosh  
Vice Chairman, California Communities

Enclosures

cc: Senator Dave Cox, Vice Chair, Senate Local Government Committee  
Senator Tom Harman, Senate Local Government Committee  
Senator Christine Kehoe, Senate Local Government Committee  
Senator Michael Machado, Senate Local Government Committee  
Peter M. Detwiler, Staff Director, Senate Local Government Committee  
Erin Riches, Senate Office of Research



Building a Stronger Mid-Century California by Local Governments • Since 1988

## **ATTACHMENT I**

### **Community Benefit Report**

#### **A Unique Asset for Local Government**

The California Statewide Communities Development Authority (“California Communities”) was created in 1988, under California’s Joint Exercise of Powers Act, to provide California’s local governments with an effective tool for the timely financing of community-based public benefit projects

Although cities, counties and special districts are able to issue their own debt obligations or serve as a conduit issuer of private activity bonds that promote economic development and provide critical community services, many local agencies find stand-alone financings too costly or lack the necessary resources or experience to facilitate the bond issuance and perform post-issuance activities for the term of the bonds.

In response, local governments formed California Communities. California Communities was created by and for local governments in California, and is sponsored by the California State Association of Counties (CSAC) and the League of California Cities (the League).

Today, 474 cities, counties and special districts have become Program Participants to California Communities – which serves as their conduit issuer and provides access to an efficient mechanism to finance locally-approved projects.

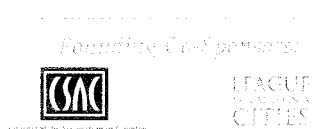
California Communities helps local governments build community infrastructure, provide affordable housing, create jobs, make access available to quality healthcare and education, and more. California Communities provides an important resource to our local government members by ensuring that local community projects get funded quickly and reliably.

#### **Commitment to Public Benefit**

California Communities provides its local agency participants low-cost, innovative pooled finance programs designed to address short-term borrowing needs, budget shortfalls, and provide access to capital for critical infrastructure improvements.

#### **Local Government Public Benefit Financings**

Since inception, California Communities has funded more than \$9.0 Billion for 1,294 local agency participants including:



2021 North 75th Street, Suite 201 • Walnut Creek, California 94598

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- \$7.0 Billion of Tax Revenue Anticipation Notes to finance short-term cash flow deficits for 810 local agency participants
- \$476 million for water/wastewater treatment facility upgrades for 96 local water and sanitation districts
- \$130 million to facilitate 140 lease obligations for local governments to acquire equipment, vehicles, computer technology, administration facilities, etc.
- \$368 million of pension obligation bonds to provide an alternative finance mechanism for unfunded liabilities of 22 local agency participants
- \$113 million of community infrastructure bonds to plan for the future growth in 20 local agencies
- \$455 million of vehicle license fee securitization for 146 local agencies to manage cash flow deficits during the State's budget crisis in 2005
- \$258 million of tobacco revenue securitization for 20 local agencies to capture tobacco settlements and address healthcare needs in their community

#### Private Activity Community Based Public Benefit Projects

Moreover, California Communities has built a successful track record of financing high quality public benefit projects. We have issued more than \$25.6 Billion for the construction, equipping, rehabilitation, or modernization of 1,514 local, community approved projects since 1988 providing project financing for:

- 46,174 very-low and low-income affordable housing units for 416 multifamily and 96 senior housing projects
- 443 nonprofit hospital and medical facilities
- 97 skilled nursing, assisted living, and continuing care facilities
- 128 independent K-12 and higher education facilities
- 16 solid waste disposal and alternative energy facilities
- 165 manufacturing facilities creating an estimated 10,000 new jobs in California
- 153 various public benefit facilities, including research institutes, care centers for developmentally disabled and terminally ill persons, drug and alcohol rehabilitation clinics, student housing projects, job training / placement facilities, and community and youth centers.

For more information on California Communities programs utilized by your community, please follow the link to our detailed ***Program Participants Page***.

#### Local Review, Oversight and Approval

Cities, counties, and special districts choose membership in California Communities when it serves their purposes, and choose when to use California Communities' programs. All projects funded through California Communities go through exhaustive legal and financial review to ensure the viability of the borrower and the project, and equally important, to ensure the project serves a legitimate local public benefit.

In addition to the legal and financial review, the California Communities Joint Powers Agreement requires each project must be heard before the local government entity where

the project is located (city council or county board of supervisors) so the project can be thoroughly vetted and approved by a public vote of publicly-elected officials. This extra layer of local review required by California Communities often provides important insight into the local landscape and provides opportunity for local elected officials, stakeholders and residents to weigh in on these local public benefit projects.

Furthermore, the California Communities Board of Commissioners is appointed by the California State Association of Counties (CSAC) and the League of California Cities (League), which together represents the interests of counties and cities throughout the state. This commission has established public benefit finance criteria and evaluates every submitted project on the basis of benefit provided, in addition to receiving the requisite local approval. No project can proceed without the approval of commissioners from both CSAC and the League, the structure of which ensures the preservation of both city and county interests.

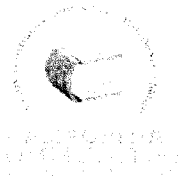
### **A Responsible Business Model**

California Communities combines the integrity of government oversight and the effectiveness of performance-based business management to minimize bureaucracy and cost, provide positive choices, and streamline the public benefit issuance process to ensure community benefit projects are begun and completed in a timely manner.

On top of the meticulous review process before bonds are issued, California Communities has a compliance services unit to perform post-issuance reviews to ensure borrower compliance with all federal and state laws to preserve the tax-exempt status of the bonds and to make sure the funding is being used for its intended purpose and that a public benefit is indeed being derived.

California Communities is run without outside public funding or taxpayer subsidies. Income is derived solely from fees charged primarily to private project applicants and the day to day operating expenses are the responsibility of the private financing specialists through a performance-based contract.





Senate District 1 - Senator Dave Cox  
 Public Benefit Projects Financed in:  
 Alpine County, Amador County, Calaveras County, El  
 Dorado County, Lassen County, Modoc County, Mono  
 County, Nevada County, Placer County, Plumas County,  
 Sacramento County, and Sierra County

Public Agency Programs	Program Bond Offerings	# Of Program Participants	Total Bond Amount
CaLease	23	23	\$17,117,363.00
SCIP	11	24	\$53,836,929.00
TRANS	66	104	\$478,728,987.00
VLF Program	4	6	\$3,137,651.00
Tobacco	1	1	\$1,054,190.00
Pension Obligation	1	1	\$12,562,729.00
Water/Wastewater	4	6	\$6,620,707.00
<b>Total</b>	<b>110</b>	<b>165</b>	<b>\$573,058,556.00</b>

Private Activity	Bonds Issued	Facilities Financed	Total Bond Amount	Affordable Units Produced
Affordable Housing	40	41	\$253,581,284.00	3,232
IDBs/Manufacturing	5	5	\$14,895,077.00	
501(c)(3) Nonprofit	51	85	\$1,547,751,499.00	
<b>Total</b>	<b>96</b>	<b>131</b>	<b>\$1,816,227,860.00</b>	

**Public Agency Programs**

Borrower	Project Name	Bond Amount
Auburn	2 Fire trucks	\$557,394.15
Auburn	Voting machines	\$1,534,634.09
Elk Grove	City Hall	\$4,190,410.74
Elk Grove	Office Building for Police Facility	\$5,052,283.79
Mokelumne Hill (Unincorporated)	Various Equipment	\$81,557.32
Nevada City	Laura Wilcox Memorial Building, Sutton Way, Grass Valley	\$880,000.00
Placerville	Equipment Lease	\$130,288.02
Placerville	Government (computer equipment)	\$139,585.70
Placerville	Government (computer equipment)	\$122,849.59
Placerville	Government (equipment)	\$132,902.00
Placerville	Mainframe Computer System	\$483,535.58
Placerville	Motogradars and computer hardware and software	\$1,289,411.91
Placerville	Public Safety	\$150,188.21
Placerville	Various Equipment	\$348,035.00
Placerville	Various Equipment	\$252,363.00
Placerville	Various Equipment	\$251,523.08
Placerville	Various Equipment	\$126,724.60
Placerville	Various Equipment	\$104,283.00
Placerville	Various Equipment	\$89,710.50
Placerville	Various Equipment	\$62,920.00
Sacramento	Office Furniture	\$600,000.00
San Andreas (Unincorporated)	Haworth Modular Furniture	\$403,920.68
San Andreas (Unincorporated)	Public Safety	\$132,841.91
<b>Total CaLease</b>		<b>\$17,117,362.87</b>

**SCIP (infrastructure Improvements)**

City	Project Name	Bond Amount
Cameron Park (Unincorporated)	Estepa Multifamily	\$1,307,500.00
Elk Grove	Niello BMW	\$3,649,285.71
Elk Grove	Venture Commerce Center - Elk Grove	\$1,307,500.00
Elk Grove	Beltway Commerce Center	\$359,000.00
Elk Grove	Simas Gateway	\$359,000.00
Elk Grove	Beltway II, FITE Development	\$1,064,500.00
Elk Grove	Laguna 5, Colliers Development	\$1,064,500.00
Galt	Parker Industrial Center	\$1,307,500.00
Lincoln	Lincoln Gateway	\$3,649,285.71
Lincoln	Sterling Point Parkway	\$3,649,285.71
Lincoln	Citadel Dental	\$1,307,500.00
Lincoln	Sterling Pointe (Taylor/Village LP)	\$1,254,000.00
Lincoln	Golden State Collision	\$359,000.00
Lincoln	Sterling Pointe	\$359,000.00
Rocklin	Blue Oaks Town Center	\$1,064,500.00
Rocklin	Rocklin HW 65 Commerce Center	\$1,064,500.00
Rocklin	Series 2006 Projects	\$19,015,000.00
Roseville	Granite Bay Pavilions	\$3,649,285.71

SCIP (Infrastructure Improvements)

City	Project Name	Bond Amount
Roseville	Hampton Inn and Suites - Roseville	\$3,649,285.71
Roseville	Coastal/KMS Commerce and Corporate Center	\$1,307,500.00
Roseville	Vineyard Pointe - Lot #3 Garden Office	\$1,307,500.00
Roseville	Roseville Carpet One	\$359,000.00
Roseville	SilverCreek	\$359,000.00
Roseville	John Mourier/Parkside Estates	\$1,064,500.00
<b>Total SCIP</b>		<b>\$53,836,928.55</b>

TRANS

Borrower	Project Name	Bond Amount
County of Sierra	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,000,000.00
County of Sierra	Tax and Revenue Anticipation Notes 1995	\$1,365,000.00
County of Sierra	Tax and Revenue Anticipation Notes 1996	\$820,000.00
County of Sierra	Tax and Revenue Anticipation Notes 1997	\$780,000.00
County of Sierra	Tax and Revenue Anticipation Notes 1998	\$570,000.00
County of Sierra	Tax and Revenue Anticipation Notes 1999	\$795,000.00
County of Sierra	Tax and Revenue Anticipation Notes 2000	\$945,000.00
County of Sierra	Tax and Revenue Anticipation Notes 2001	\$945,000.00
County of Sierra	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
County of Sierra	Tax and Revenue Anticipation Notes 2005	\$1,700,000.00
County of Sierra	Tax and Revenue Anticipation Notes 2006	\$1,590,000.00
County of Sierra	TRANS 1993 Pool Notes - Series A	\$1,716,283.78
City of Folsom	Tax and Revenue Anticipation Notes 1994 - Series A	\$3,360,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1995	\$2,540,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1996	\$2,645,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1997	\$3,240,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1998	\$3,175,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1999	\$3,000,000.00
City of Folsom	Tax and Revenue Anticipation Notes 2000	\$2,000,000.00
City of Folsom	Tax and Revenue Anticipation Notes 2001	\$3,000,000.00
City of Folsom	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
City of Folsom	TRANS 1993 Pool Notes - Series A	\$3,766,283.78
City of Grass Valley	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,000,000.00
City of Grass Valley	Tax and Revenue Anticipation Notes 2000	\$1,200,000.00
City of Grass Valley	Tax and Revenue Anticipation Notes 2005	\$1,000,000.00
City of Grass Valley	Tax and Revenue Anticipation Notes 2006	\$1,250,000.00
City of Grass Valley	TRANS 1993 Pool Notes - Series A	\$916,283.78
City of Ione	TRANS 1993 Pool Notes - Series A	\$916,283.78
Meeks Bay FPD	Tax and Revenue Anticipation Notes 1997	\$120,000.00
Meeks Bay FPD	Tax and Revenue Anticipation Notes 1998	\$115,000.00
Meeks Bay FPD	Tax and Revenue Anticipation Notes 1999	\$120,000.00
Meeks Bay FPD	Tax and Revenue Anticipation Notes 2000	\$145,000.00
Meeks Bay FPD	Tax and Revenue Anticipation Notes 2001	\$150,000.00
Meeks Bay FPD	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
County of Nevada	Tax and Revenue Anticipation Notes 1997	\$4,710,000.00
County of Nevada	Tax and Revenue Anticipation Notes 1998	\$4,795,000.00
County of Nevada	Tax and Revenue Anticipation Notes 1999	\$5,000,000.00
County of Nevada	Tax and Revenue Anticipation Notes 2000	\$5,000,000.00
County of Nevada	Tax and Revenue Anticipation Notes 2001	\$5,000,000.00
County of Nevada	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
County of Nevada	TRANS 1993 Pool Notes - Series A	\$4,566,283.78
County of El Dorado	Tax and Revenue Anticipation Notes 1994 - Series A	\$12,815,000.00
County of El Dorado	Tax and Revenue Anticipation Notes 1995	\$8,685,000.00
El Dorado County	Tax and Revenue Anticipation Notes 1996	\$14,680,000.00
County of El Dorado	Tax and Revenue Anticipation Notes 1997	\$15,300,000.00
County of El Dorado	Tax and Revenue Anticipation Notes 1998	\$17,235,000.00
County of El Dorado	Tax and Revenue Anticipation Notes 1999	\$14,130,000.00
North Tahoe FPD	Tax and Revenue Anticipation Notes 1999	\$1,090,000.00

TRANS

Borrower	Project Name	Bond Amount
County of El Dorado	Tax and Revenue Anticipation Notes 2000	\$15,300,000.00
North Tahoe FPD	Tax and Revenue Anticipation Notes 2000	\$1,040,000.00
County of El Dorado	Tax and Revenue Anticipation Notes 2001	\$12,215,000.00
North Tahoe FPD	Tax and Revenue Anticipation Notes 2001	\$1,415,000.00
North Tahoe FPD	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
County of El Dorado	Tax and Revenue Anticipation Notes 2003	\$15,000,000.00
North Tahoe FPD	Tax and Revenue Anticipation Notes 2003	\$1,695,000.00
County of El Dorado	Tax and Revenue Anticipation Notes 2004	\$10,000,000.00
North Tahoe FPD	Tax and Revenue Anticipation Notes 2004	\$1,655,000.00
County of El Dorado	Tax and Revenue Anticipation Notes 2005	\$10,000,000.00
North Tahoe FPD	Tax and Revenue Anticipation Notes 2005	\$1,350,000.00
North Tahoe FPD	Tax and Revenue Anticipation Notes 2006	\$1,605,000.00
City of Placerville	TRANS 1993 Pool Notes - Series A	\$886,283.78
American River FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$5,000,000.00
American River FPD	Tax and Revenue Anticipation Notes 1995	\$5,000,000.00
American River FPD	Tax and Revenue Anticipation Notes 1996	\$5,000,000.00
American River FPD	Tax and Revenue Anticipation Notes 1997	\$5,000,000.00
Sacramento Metropolitan Fire District	Tax and Revenue Anticipation Notes 1998	\$4,780,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 1998	\$995,000.00
American River FPD	Tax and Revenue Anticipation Notes 1999	\$10,000,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 1999	\$1,050,000.00
American River FPD	Tax and Revenue Anticipation Notes 2000	\$10,000,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2000	\$1,005,000.00
Sacramento Metropolitan Fire District	Tax and Revenue Anticipation Notes 2001	\$22,030,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2001	\$1,050,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
Sacramento Metropolitan Fire District	Tax and Revenue Anticipation Notes 2003	\$22,390,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2003	\$2,365,000.00
Sacramento Metropolitan Fire District	Tax and Revenue Anticipation Notes 2004	\$30,000,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2004	\$2,390,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2005	\$1,500,000.00
County of Calaveras	Tax and Revenue Anticipation Notes 1997	\$4,880,000.00
County of Calaveras	Tax and Revenue Anticipation Notes 1998	\$4,755,000.00
County of Calaveras	Tax and Revenue Anticipation Notes 1999	\$4,500,000.00
County of Calaveras	Tax and Revenue Anticipation Notes 2000	\$4,855,000.00
County of Calaveras	Tax and Revenue Anticipation Notes 2001	\$5,000,000.00
County of Lassen	Tax and Revenue Anticipation Notes 1994 - Series A	\$615,000.00
County of Lassen	Tax and Revenue Anticipation Notes 1995	\$780,000.00
Lassen County	Tax and Revenue Anticipation Notes 1996	\$580,000.00
County of Lassen	Tax and Revenue Anticipation Notes 1997	\$600,000.00
County of Lassen	Tax and Revenue Anticipation Notes 1998	\$700,000.00
County of Lassen	Tax and Revenue Anticipation Notes 1999	\$925,000.00
County of Lassen	Tax and Revenue Anticipation Notes 2000	\$1,100,000.00
County of Lassen	Tax and Revenue Anticipation Notes 2001	\$1,000,000.00
County of Lassen	TRANS 1993 Pool Notes - Series A	\$1,416,283.78
Town of Truckee	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,500,000.00
Truckee FPD	Tax and Revenue Anticipation Notes 1999	\$680,000.00
Northstar Community Services District	Tax and Revenue Anticipation Notes 2000	\$900,000.00
Truckee FPD	Tax and Revenue Anticipation Notes 2000	\$680,000.00
Northstar Community Services District	Tax and Revenue Anticipation Notes 2001	\$1,200,000.00
Truckee FPD	Tax and Revenue Anticipation Notes 2001	\$1,000,000.00
Northstar Community Services District	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
Truckee FPD	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
Northstar Community Services District	Tax and Revenue Anticipation Notes 2003	\$730,000.00
Truckee FPD	Tax and Revenue Anticipation Notes 2003	\$280,000.00
Northstar Community Services District	Tax and Revenue Anticipation Notes 2004	\$1,095,000.00
<b>Total TRANS</b>		<b>\$478,728,985.58</b>

Vehicle Licensing Fee Program

Borrower	Project Name	Bond Amount
City of Galt	Vehicle Licence Fee Program 2005	\$373,139.56
Town of Loomis	Vehicle Licence Fee Program 2005	\$106,642.79
City of Placerville	Vehicle Licence Fee Program 2005	\$173,623.08
City of Rocklin	Vehicle Licence Fee Program 2005	\$739,445.44
City of Roseville	Vehicle Licence Fee Program 2005	\$1,538,664.43
City of Susanville	Vehicle Licence Fee Program 2005	\$206,134.99
<b>Total VLF Program</b>		<b>\$3,137,650.29</b>

Tobacco

Borrower	Project Name	Bond Amount
Modoc County	Pooled Tobacco Securitization Program	\$1,054,189.59
<b>Total Tobacco</b>		<b>\$1,054,189.59</b>

Pension Obligation

Borrower	Project Name	Bond Amount
City of Auburn	Pension Obligation Bonds 2006A	\$12,562,729.40
<b>Total Pension Obligation</b>		<b>\$12,562,729.40</b>

Water/Wastewater Improvements

Borrower	Project Name	Bond Amount
City of Angels	Water and Wastewater Pool Series 2001A	\$3,185,000.00
City of Grass Valley	Water Revenue Refunding Bonds 1993	\$1,295,210.00
June Lake Public Utility District	Water Revenue Refunding Bonds 1993	\$726,593.85
City of Lincoln	Water Revenue Refunding Bonds 1993	\$352,886.76
Sierra Lakes County Water District	Water Revenue Refunding Bonds 1993	\$706,074.08
Squaw Valley County Water District	Water Revenue Refunding Bonds 1993	\$354,942.11
<b>Total Water/Wastewater</b>		<b>\$6,620,706.80</b>

**Private Activity Programs**

**Affordable Housing**

Project Location	Borrower	Property Name	Bond Amount	Affordable Units	Total Units
Alturas	Highland Property Development LLC	Alturas Meadows	\$3,085,000.00	48	48
Auburn	Auburn Palm Terrace. L.P.	Palm Terrace Apartments	\$6,002,381.00	80	80
Auburn	Auburn Palm Terrace. L.P.	Palm Terrace Additional Tail	\$1,000,000.00		
Cameron Park (Unincorporated)	Cameron Park Green Valley, Lp	Green Valley Apartments	\$2,611,000.00	39	39
Cameron Park (Unincorporated)	Cimmarron/Cambridge	Knolls at Green Valley	\$13,205,000.00	200	200
Citrus Heights	RPM Company	Greenback Manor Apartments	\$4,660,000.00	156	156
Citrus Heights	Wedgewood Common Apartments, LLC	The Pavilions at Sunrise	\$18,500,000.00	60	300
Elk Grove	Pacific West Builders, Inc.	Agave at Elk Grove	\$15,500,000.00	171	188
Elk Grove	Urban Housing Communities LLC	Horizons at Elk Grove	\$13,500,000.00	103	103
Elk Grove	Heritage Community Housing, Inc.	The Crossings at Elk Grove	\$15,000,000.00	47	116
Elk Grove	Pacific West Companies	The Seasons	\$0.00	222	222
Elk Grove	C.F.Y. Development	Waterman Square	\$12,800,000.00	84	84
Lincoln	Ionic Entreprises	Lincoln Terrace Apartments	\$5,400,000.00	79	79
Lincoln	The Stamas Corporation	Parkway Apartments	\$7,500,000.00	120	120
Mammoth Lakes	Pacific West Communities, Inc.	Mammoth Lakes Family Apartments II	\$2,750,000.00	15	16
Mammoth Lakes	Pacific West Communities, Inc.	Mammoth Lakes Family Apartments II	\$2,750,000.00		
Penn Valley (Unincorporated)	Trammell Crow Residential	Courtyards at Penn Valley	\$3,160,000.00	42	42
Placerville	Micon Real Estate	Deer View Park Apartments	\$2,915,000.00	48	48
Rocklin	The Ezralow Company	Creekside North	\$5,160,000.00	17	80
Rocklin	The Ezralow Company	HIDDEN GROVE	\$6,150,000.00	124	124
Rocklin	The Stamas Corporation	Stanford Arms Apartments	\$6,850,000.00	120	120
Rocklin	The Stamas Corporation	Sunset Apartments	\$7,760,000.00	45	112
Roseville	St. Anton Partners, LLC	Crocker Oaks Apartments	\$9,900,000.00	118	132
Roseville	St. Anton Partners, LLC	Crocker Oaks Apartments	\$1,100,000.00		
Roseville	St. Anton Capital, LLC	Heritage Park Apartments	\$0.00	328	328
Roseville	Highland Creek Associates	Highland Creek Apartments	\$14,230,000.00	67	167
Roseville	Project Go Inc.	Maidu Village II Apartments	\$4,125,000.00	84	84
Roseville	Project Go, Inc	Maidu Village Phase III	\$4,500,000.00	76	76
Roseville	The Ezralow Company	Olive Tree Apartments and Romeo 8	\$8,640,000.00	41	205
Roseville	St. Anton Capital, LLC	Siena Apartments	\$0.00	154	156
Roseville	Regent Assisted Living	Silver Ridge Senior Apartments	\$8,200,000.00	156	156
Roseville	St. Anton Partners, LLC	Woodcreek Terrace Senior Apartments	\$5,490,000.00	104	104
Sacramento	Steadfast Properties Development, Inc.	Discovery Commons	\$6,755,000.00	32	160
Sacramento	Steadfast Properties Development, Inc.	Discovery Commons	\$3,336,000.00		
Susanville	Micon Real Estate	Citrus Manor Apartments	\$2,553,350.00	53	54
Susanville	Garcia Investments	Susanville Garden	\$1,818,212.00	32	64
Susanville	Garcia Investments	Susanville Garden Apartments	\$2,000,000.00		
Sutter Creek	Micon Real Estate	Sutter Hill Place Apartments	\$2,675,341.00	43	44
Truckee	Pacific West Communities, Inc.	Frishman Hollow	\$8,000,000.00	32	32
Truckee	Pacific Communities, LLC	Gray's Crossing Affordable Housing	\$11,250,000.00	92	92
Truckee	Pacific Communities, LLC	Gray's Crossing Affordable Housing	\$2,750,000.00		
<b>Total Affordable Housing</b>			<b>\$253,581,284.00</b>	<b>3,232</b>	<b>4,131</b>

**IDBs/Manufacturing**

Project Location	Borrower	Facility Name	Bond Amount
Roseville	S and P Investments, Inc.	S and P Investments, Inc.	\$2,175,000.00
Roseville	S and P Investments, Inc./Pasco Scientific	S and P Investments, Inc./Pasco Scientific	\$3,300,000.00
Sacramento	13th and I Associates	13th and I Associates	\$5,950,000.00
Sacramento	American River Purchasing, Inc. (EOPP 1998)	American River Purchasing, Inc. (EOPP 1998)	\$970,077.00
Sacramento	Sierra Spring Water Co. - Sacramento	Sierra Spring Water Co. - Sacramento	\$2,500,000.00
<b>Total IDBs/Manufacturing</b>			<b>\$14,895,077.00</b>

**501(c)(3) Nonprofit**

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
Auburn	California Shock Trauma Air Rescue	Helicopter	\$975,866.00
Auburn	California Shock Trauma Air Rescue dba CALSTAR	CALSTAR	\$700,000.00
Auburn	California Shock Trauma Air Rescue dba CALSTAR	CALSTAR	\$488,218.00
Auburn	California Shock Trauma Air Rescue dba CALSTAR	CALSTAR	\$455,000.00
Auburn	PRIDE Industries	Pride Industries	\$6,000,000.00
Auburn	Sutter Health	Sutter Auburn Faith Hospital	\$21,927,225.73
Auburn	Sutter Health	Sutter Auburn Faith Hospital	\$16,854,166.67
Auburn	Sutter Health	Auburn Faith Community Hospital	\$3,815,740.63
Cameron Park (Unincorporated)	Eskaton, Inc.	Cameron Park Lodge	\$2,660,000.00
Carmichael (Unincorporated)	Catholic Healthcare West	Mercy San Juan Medical Center	\$56,805,000.00
Carmichael (Unincorporated)	Catholic Healthcare West	Mercy San Juan Hospital	\$13,285,174.29
Carmichael (Unincorporated)	Eskaton Properties - 1992	Eskaton Village	\$17,300,000.00
Carmichael (Unincorporated)	Eskaton Properties - 1993	Carmichael	\$32,025,666.07
Carmichael (Unincorporated)	Eskaton Properties - 1993	American River Manor	\$7,217,051.51
Carmichael (Unincorporated)	Eskaton, Inc.	Eskaton Village, Carmichael	\$21,452,308.42

## 501(c)(3) Nonprofit

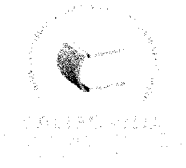
Project Location	Borrower	Facility Name/ Purpose	Bond Amount
Carmichael (Unincorporated)	Eskaton, Inc.	Eskaton Home Office/Eskaton Homecare/Visiting Nursing Managed Care	\$7,516,660.36
Carmichael (Unincorporated)	Eskaton, Inc.	Eskaton Manzanita Manor	\$5,768,599.81
Carmichael (Unincorporated)	Jesuit High School	Student Athletic Center	\$12,000,000.00
Carmichael (Unincorporated)	Sutter Health	Sutter Oaks Nursing Center	\$6,060,293.95
Carmichael (Unincorporated)	Trinity Children and Family Services	Trinity Children and Family Services	\$187,969.92
Elk Grove	Sutter Health	Sutter Medical Plaza	\$20,358,101.85
Elk Grove	Sutter Health	Sutter Medical Center	\$19,891,666.67
Fair Oaks (Unincorporated)	Eskaton, Inc.	Eskaton Homestead of Fair Oaks	\$8,682,034.06
Fair Oaks (Unincorporated)	Trinity Children and Family Services	Trinity Children and Family Services	\$187,969.92
Folsom	Catholic Healthcare West	Mercy Hospital of Folsom	\$18,258,750.00
Folsom	Kaiser Foundation Hospitals	Folsom MOB	\$15,402,075.00
Folsom	Kaiser Permanente	Folsom Medical Office	\$46,103,704.00
Grass Valley	Catholic Healthcare West	Sierra Nevada Memorial-Miners Hospital	\$5,410,000.00
Grass Valley	Eskaton, Inc.	Eskaton Village	\$19,750,000.00
Grass Valley	PRIDE Industries	Pride Industries	\$6,000,000.00
Orangevale (Unincorporated)	Sutter Health	Orangevale Integrated Medical Campus Retirement Housing Foundation (Gold Country)	\$9,399,108.33
Placerville	Retirement Housing Foundation	Gold Country Health Center, Inc.	\$14,478,618.27
Placerville	Retirement Housing Foundation	Gold Country Health Center, Inc.	\$6,994,001.71
Rancho Cordova	Catholic Healthcare West	Mercy Healthcare Sacramento	\$22,582,403.85
Rancho Cordova	Trinity Children and Family Services	Trinity Children and Family Services	\$187,969.92
Roseville	Adventist Health System / West	Adventist Health System / West	\$29,166,666.67
Roseville	Adventist Health System / West	Adventist Health System / West	\$29,166,666.67
Roseville	Kaiser Foundation Hospitals	Roseville Medical Center	\$33,004,446.00
Roseville	Kaiser Permanente	Roseville Medical Center	\$246,327,527.00
Roseville	Kaiser Permanente	Roseville Medical Center	\$12,532,941.18
Roseville	Kaiser Permanente	Roseville MOB Capitol SA	\$31,875,000.00
Roseville	PRIDE Industries	Pride Industries	\$6,000,000.00
Roseville	St. Albans Country Day School	St. Albans Country Day School Sutter Roseville Medical Center: Acute Rehab and Vent Facility / Replacement Hospital	\$2,800,000.00
Roseville	Sutter Health	Sutter Roseville Medical Center	\$34,307,500.00
Roseville	Sutter Health	Sutter Roseville Medical Center	\$19,891,666.67
Roseville	Sutter Health	Sutter Roseville Medical Center	\$16,854,166.67
Roseville	Sutter Health	Sutter Roseville Medical Center	\$14,720,564.52
Roseville	Sutter Health	Roseville Community Hospital	\$1,094,521.60
Sacramento	Catholic Healthcare West	Methodist Hospital of Sacramento	\$22,992,500.00
Sacramento	Catholic Healthcare West	Mercy General Hospital	\$13,285,174.29
Sacramento	Catholic Healthcare West	Methodist Hospital of Sacramento	\$13,285,174.29
Sacramento	Catholic Healthcare West	Mercy General Hospital	\$5,410,000.00
Sacramento	Community Resource Project	Community Resource Project	\$1,530,000.00
Sacramento	Dialysis Clinic, Inc.	Dialysis Clinic Inc.	\$3,500,000.00
Sacramento	Eskaton Properties - 1993	Glenwood Manor	\$11,547,282.42
Sacramento	Eskaton, Inc.	Green Haven Country Place	\$8,623,765.37
Sacramento	Eskaton, Inc.	Henson Gardens	\$6,911,494.80
Sacramento	Eskaton, Inc.	President James Monroe Manor	\$5,885,137.18
Sacramento	Kaiser Foundation Hospitals	South Sacramento Medical Center	\$33,004,446.00
Sacramento	Kaiser Permanente	South Sacramento Medical Center	\$60,822,608.00
Sacramento	Kaiser Permanente	South Sacramento Medical Center	\$17,450,000.00
Sacramento	Kaiser Permanente	South Sacramento Medical Center	\$12,532,941.18
Sacramento	Kaiser Permanente	South Sacramento MOB Capitol SA	\$8,375,000.00
Sacramento	Natomas Charter School	Natomas Charter School	\$1,800,000.00
Sacramento	PRIDE Industries	Pride Industries	\$6,000,000.00
Sacramento	Sacramento Country Day School	Sacramento Country Day School	\$13,350,000.00
Sacramento	Sutter Health	Sutter Memorial Hospital	\$101,790,509.26
Sacramento	Sutter Health	Sutter Health Central	\$67,382,567.71
Sacramento	Sutter Health	Sutter Memorial Hospital	\$29,612,298.39
Sacramento	Sutter Health	Sutter General Hospital	\$26,188,911.29
Sacramento	Sutter Health	Sutter General Hospital	\$21,840,308.33
Sacramento	Sutter Health	Sutter Medical Center	\$19,891,666.67
Sacramento	Sutter Health	Sutter General Hospital	\$17,512,345.68
Sacramento	Sutter Health	Sutter Medical Center	\$16,854,166.67
Sacramento	Sutter Health	Sutter Memorial Hospital	\$13,205,455.33
Sacramento	Sutter Health	Sutter General Hospital	\$10,287,536.02
Sacramento	Sutter Health	Sutter Oaks Alzheimer Center	\$6,060,293.95
Sacramento	Sutter Health	Sutter Oaks Nursing Center	\$6,060,293.95
Sacramento	Sutter Health	Sutter Retirement Center	\$6,060,293.95
Sacramento	Sutter Health	Sutter Center for Psychiatry	\$5,905,342.74

## 501(c)(3) Nonprofit

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
Sacramento	Sutter Health	Sutter Oaks Nursing Center-Midtown	\$4,938,017.29
Sacramento	Sutter Health	Sutter Center for Psychiatry	\$2,581,236.31
Sacramento	Trinity Children and Family Services	Trinity Children and Family Services	\$187,969.92
Sacramento	United Way California Capital Region	United Way California Capital Region	\$5,163,750.00
South Lake Tahoe	Barton Memorial Hospital	Barton Memorial Hospital	\$15,000,000.00

Total 501(c)(3) Nonprofit

\$1,547,751,498.91



Senate District 5 - Senator Michael Machado  
 Public Benefit Projects Financed in:  
 Sacramento County, San Joaquin County, Solano County,  
 and Yolo County

Public Agency Programs	Program Bond Offerings	# Of Program Participants	Total Bond Amount
CaLease	6	6	\$24,082,710.00
SCIP	4	7	\$9,111,286.00
TRANS	48	76	\$550,800,168.00
VLF Program	4	10	\$24,061,134.00
Tobacco	4	4	\$104,772,906.00
Pension Obligation	1	1	\$12,562,729.00
Water/Wastewater	8	9	\$82,563,613.00
<b>Total</b>	<b>75</b>	<b>113</b>	<b>\$807,954,546.00</b>

Private Activity	Bonds Issued	Facilities Financed	Total Bond Amount	Affordable Units Produced
Affordable Housing	48	48	\$358,187,871.00	3,725
IDBs/Manufacturing	22	22	\$46,720,177.00	
501(c)(3) Nonprofit	56	89	\$2,124,493,335.00	
<b>Total</b>	<b>126</b>	<b>159</b>	<b>\$2,529,401,383.00</b>	

**Public Agency Programs**

CaLease		
Borrower	Project Name	Bond Amount
Elk Grove	City Hall	\$4,190,410.74
Elk Grove	Office Building for Police Facility	\$5,052,283.79
Fairfield	Infrastructure Project	\$5,513,714.68
Fairfield	Infrastructure Project	\$636,300.00
Lathrop	City Hall/Administration Building	\$8,090,000.00
Sacramento	Office Furniture	\$600,000.00
<b>Total CaLease</b>		<b>\$24,082,709.21</b>

**SCIP (Infrastructure Improvements)**

City	Project Name	Bond Amount
Elk Grove	Niello BMW	\$3,649,285.71
Elk Grove	Venture Commerce Center - Elk Grove	\$1,307,500.00
Elk Grove	Beltway Commerce Center	\$359,000.00
Elk Grove	Simas Gateway	\$359,000.00
Elk Grove	Beltway II, FITE Development	\$1,064,500.00
Elk Grove	Laguna 5, Colliers Development	\$1,064,500.00
Galt	Parker Industrial Center	\$1,307,500.00
<b>Total SCIP</b>		<b>\$9,111,285.71</b>

**Tobacco**

Borrower	Project Name	Bond Amount
County of Solano	Pooled Tobacco Securitization Program	\$63,946,950.83
County of Solano	Tobacco Settlement Asset Backed Bonds 2006	\$6,861,170.89
County of Yolo	Pooled Tobacco Securitization Program	\$27,103,612.92
County of Yolo	Tobacco Settlement Asset Backed Bonds 2006	\$6,861,170.89
<b>Total Tobacco</b>		<b>\$104,772,905.53</b>

**TRANS**

Borrower	Project Name	Bond Amount
County of Solano	Tax and Revenue Anticipation Notes 1996	\$16,415,000.00
County of Solano	Tax and Revenue Anticipation Notes 1997	\$21,500,000.00
County of Solano	Tax and Revenue Anticipation Notes 1998	\$20,460,000.00
County of Solano	Tax and Revenue Anticipation Notes 1999	\$21,000,000.00
County of Solano	Tax and Revenue Anticipation Notes 2000	\$20,000,000.00
County of Solano	Tax and Revenue Anticipation Notes 2001	\$21,175,000.00
County of Solano	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
County of Solano	Tax and Revenue Anticipation Notes 2004	\$19,155,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1994 - Series A	\$3,360,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1995	\$2,540,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1996	\$2,645,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1997	\$3,240,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1998	\$3,175,000.00
City of Folsom	Tax and Revenue Anticipation Notes 1999	\$3,000,000.00
City of Folsom	Tax and Revenue Anticipation Notes 2000	\$2,000,000.00
City of Folsom	Tax and Revenue Anticipation Notes 2001	\$3,000,000.00
City of Folsom	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89

TRANS

Borrower	Project Name	Bond Amount
City of Folsom	TRANS 1993 Pool Notes - Series A	\$3,766,283.78
City of Lodi	Tax and Revenue Anticipation Notes 1994 - Series A	\$4,900,000.00
City of Lodi	TRANS 1993 Pool Notes - Series A	\$3,916,283.78
City of Manteca	TRANS 1993 Pool Notes - Series A	\$1,506,283.78
American River FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$5,000,000.00
American River FPD	Tax and Revenue Anticipation Notes 1995	\$5,000,000.00
American River FPD	Tax and Revenue Anticipation Notes 1996	\$5,000,000.00
American River FPD	Tax and Revenue Anticipation Notes 1997	\$5,000,000.00
Sacramento Metropolitan Fire District	Tax and Revenue Anticipation Notes 1998	\$4,790,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 1998	\$995,000.00
American River FPD	Tax and Revenue Anticipation Notes 1999	\$10,000,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 1999	\$1,050,000.00
American River FPD	Tax and Revenue Anticipation Notes 2000	\$10,000,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2000	\$1,005,000.00
Sacramento Metropolitan Fire District	Tax and Revenue Anticipation Notes 2001	\$22,030,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2001	\$1,050,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
Sacramento Metropolitan Fire District	Tax and Revenue Anticipation Notes 2003	\$22,390,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2003	\$2,365,000.00
Sacramento Metropolitan Fire District	Tax and Revenue Anticipation Notes 2004	\$30,000,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2004	\$2,390,000.00
Southgate Recreation & Park District	Tax and Revenue Anticipation Notes 2005	\$1,500,000.00
City of Stockton	Tax and Revenue Anticipation Notes 1994 - Series A	\$12,500,000.00
City of Stockton	Tax and Revenue Anticipation Notes 1995	\$11,085,000.00
City of Stockton	Tax and Revenue Anticipation Notes 1996	\$8,295,000.00
City of Stockton	Tax and Revenue Anticipation Notes 1997	\$8,500,000.00
City of Stockton	Tax and Revenue Anticipation Notes 1998	\$8,630,000.00
City of Stockton	Tax and Revenue Anticipation Notes 1999	\$6,835,000.00
City of Stockton	Tax and Revenue Anticipation Notes 2000	\$4,560,000.00
City of Stockton	Tax and Revenue Anticipation Notes 2001	\$5,570,000.00
City of Stockton	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
City of Stockton	Tax and Revenue Anticipation Notes 2006	\$16,430,000.00
City of Vallejo	Tax and Revenue Anticipation Notes 1994 - Series A	\$8,185,000.00
City of Vallejo	Tax and Revenue Anticipation Notes 1995	\$8,710,000.00
City of Vallejo	Tax and Revenue Anticipation Notes 1996	\$5,715,000.00
City of Vallejo	Tax and Revenue Anticipation Notes 1998	\$4,270,000.00
City of Vallejo	Tax and Revenue Anticipation Notes 1999	\$5,000,000.00
City of West Sacramento	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,600,000.00
City of West Sacramento	Tax and Revenue Anticipation Notes 1995	\$1,675,000.00
City of West Sacramento	TRANS 1993 Pool Notes - Series A	\$2,916,283.78
City of Woodland	Tax and Revenue Anticipation Notes 1995	\$1,650,000.00
County of Yolo	Tax and Revenue Anticipation Notes 1996	\$9,495,000.00
City of Woodland	Tax and Revenue Anticipation Notes 1996	\$2,200,000.00
City of Woodland	Tax and Revenue Anticipation Notes 1997	\$2,295,000.00
City of Woodland	Tax and Revenue Anticipation Notes 1998	\$2,395,000.00
County of Yolo	Tax and Revenue Anticipation Notes 1999	\$10,500,000.00
City of Woodland	Tax and Revenue Anticipation Notes 1999	\$2,720,000.00
County of Yolo	Tax and Revenue Anticipation Notes 2000	\$6,800,000.00
City of Woodland	Tax and Revenue Anticipation Notes 2000	\$2,575,000.00
County of Yolo	Tax and Revenue Anticipation Notes 2001	\$5,000,000.00
City of Woodland	Tax and Revenue Anticipation Notes 2001	\$1,575,000.00
County of Yolo	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
County of Yolo	Tax and Revenue Anticipation Notes 2003	\$5,000,000.00
County of Yolo	Tax and Revenue Anticipation Notes 2004	\$5,000,000.00

TRANS

Borrower	Project Name	Bond Amount
City of Woodland	Tax and Revenue Anticipation Notes 2004	\$3,910,000.00
City of Woodland	Tax and Revenue Anticipation Notes 2004	\$2,450,000.00
City of Woodland	Tax and Revenue Anticipation Notes 2005	\$2,950,000.00
City of Woodland	Tax and Revenue Anticipation Notes 2006	\$6,040,000.00
City of Woodland	TRANS 1993 Pool Notes - Series A	\$2,491,283.78
<b>Total TRANS</b>		<b>\$550,800,168.35</b>



Vehicle Licensing Fee Program

Borrower	Project Name	Bond Amount
City of Benicia	Vehicle Licence Fee Program 2005	\$461,231.36
City of Davis	Vehicle Licence Fee Program 2005	\$1,089,642.14
County of Solano	Vehicle Licence Fee Program 2005	\$8,450,492.42
City of Fairfield	Vehicle Licence Fee Program 2005	\$1,738,028.30
City of Galt	Vehicle Licence Fee Program 2005	\$373,139.56
City of Lodi	Vehicle Licence Fee Program 2005	\$1,026,256.74
City of Stockton	Vehicle Licence Fee Program 2005	\$4,430,076.35
City of Tracy	Vehicle Licence Fee Program 2005	\$1,180,803.16
City of Vacaville	Vehicle Licence Fee Program 2005	\$1,592,723.46
County of Yolo	Vehicle Licence Fee Program 2005	\$3,718,740.13
<b>Total Vehicle Licensing Fee Program</b>		<b>\$24,061,133.62</b>

Pension Obligation

Borrower	Project Name	Bond Amount
City of Benicia	Pension Obligation Bonds 2006A	\$12,562,729.40
<b>Total Pension Obligation</b>		<b>\$12,562,729.40</b>

Water/Wastewater Improvements

Borrower	Project Name	Bond Amount
City of Escalon	Water and Wastewater Pool Series 2000A	\$825,000.00
City of Lathrop	Water Revenue Refunding Bonds 1993	\$513,613.24
City of Lodi	Water and Wastewater Pool Series 2003B	\$5,000,000.00
City of Rio Vista	Water and Wastewater Pool Series 2000A	\$1,550,000.00
City of Ripon	Water and Wastewater Pool Series 1999A	\$3,250,000.00
City of Ripon	Water and Wastewater Pool Series 2002A	\$4,300,000.00
City of Ripon	Water and Wastewater Pool Series 2006C	\$7,845,000.00
City of Stockton	Water and Wastewater Pool Series 2002A	\$14,280,000.00
City of West Sacramento	Water and Wastewater Pool Series 2003C	\$45,000,000.00
<b>Total Water/Wastewater</b>		<b>\$82,563,613.24</b>

**Private Activity Programs**

**Affordable Housing**

Project Location	Borrower	Property Name	Bond Amount	Affordable Units	Total Units
Benicia	Solano Affordable Housing Foundation	Burgess Point	\$7,375,000.00	55	55
Citrus Heights	RPM Company	Greenback Manor Apartments	\$4,660,000.00	156	156
Citrus Heights	Ezralow Company	The Pavilions at Sunrise	\$18,500,000.00	60	300
Davis	Sequoia Equities	Sharps & Flats Apartments	\$16,000,000.00	34	132
Davis	St. Anton Partners, LLC	The Alhambra Apartments	\$12,795,000.00	160	160
Dixon	Fairfield Residential	Bristol Apartments	\$10,400,000.00	101	102
Dixon	Foundation for Affordable Housing	Second Street Senior Apartments	\$5,335,000.00	80	80
Elk Grove	Pacific West Builders, Inc.	Agave at Elk Grove	\$15,500,000.00	171	188
Elk Grove	Heritage Community Housing, Inc.	Horizons at Elk Grove	\$13,500,000.00	103	103
Elk Grove	Heritage Community Housing, Inc.	The Crossings at Elk Grove	\$15,000,000.00	47	116
Elk Grove	Pacific West Companies	The Seasons	\$0.00		
Elk Grove	C.F.Y. Development	Waterman Square	\$12,800,000.00	84	84
Fairfield	St. Anton, LLC	Dover Woods Senior Apartments	\$11,550,000.00	200	200
Fairfield	Linc Housing Resources for Community Development	Grande Garden Apartments (previously Mission Village)	\$3,695,000.00	51	51
Fairfield	Resources for Community Development	Laurel Gardens	\$3,900,000.00	29	29
Fairfield	Development	Laurel Gardens	\$350,000.00		
Fairfield	Social Urban Village Incorporated	Sunridge Park, Whispering Palms, Kimberly Place, Woodla	\$23,075,000.00	178	237
Fairfield	GP Sunset Manor, LP	Sunset Manor	\$4,645,838.00	148	148
Fairfield	GP Sunset Manor, LP	Village at East Tabor	\$5,900,000.00		
Fairfield	Solano Affordable Housing Foundation	Union Square II	\$3,000,000.00	24	24
Fairfield	RHC Communities	Woodside Court Apartments	\$6,000,000.00	129	129
Fairfield	RPM Company	Woodsong Apartments	\$3,427,000.00	112	112
Fairfield	Community Revitalization and Development Corporati	Casitas Del Rio Apartments	\$1,700,000.00	39	39
Rio Vista					
Sacramento	Steadfast Companies	Discovery Commons	\$6,755,000.00		
Sacramento	Steadfast Companies	Discovery Commons	\$3,336,000.00	32	160
Stockton	1625 Rosemarie Limited Partnership	Delta Village Apartments	\$2,221,500.00	80	80
Stockton	Affordable Housing Development Corporation	Hampton Square Apartments	\$6,850,000.00	185	187
Stockton	RPM Company	Mariner's Pointe Apartments	\$6,500,000.00	44	220
Stockton	Stockton Gardens Limited Partnership	Stockton Garden Apartments	\$2,000,000.00	80	80
Stockton	Stockton Gardens Limited Partnership	Stockton Garden Apartments	\$1,865,873.00		
Stockton	Stockton Terrace Limited Partnership	Stockton Terrace Apartments	\$2,133,660.00	80	80
Stockton	Stockton Terrace Limited Partnership	Stockton Terrace Apartments	\$2,000,000.00		
Stockton	Winslow Village Partners, L.P.	Winslow Village Apartments	\$4,500,000.00	40	40
Suisun City	Simpson Housing Solutions, LLC	Breezewood Village	\$7,000,000.00	80	80
Suisun City	Simpson Housing Solutions, LLC	Breezewood Village	\$6,500,000.00		
Tracy	SunAmerica	Chesapeake Bay Apartments	\$16,400,000.00	87	216
Tracy	CFY Development, Inc.	Tracy Place	\$5,000,000.00		
Vacaville	Bay Development Group	Lincoln Corner Apartments	\$11,200,000.00	65	130
Vacaville	St. Anton Management	Saratoga Pointe Apartments	\$4,920,000.00	44	108
Vacaville	Bay Development Group, LLC	Vacaville Gables	\$3,263,000.00	65	65
Vallejo	Affirmed Housing Group	Avian Glen	\$12,000,000.00	87	87
Vallejo	Affirmed Housing Group	Avian Glen	\$2,000,000.00		
Vallejo	Amerland Communities, LLC	Casa de Vallejo	\$9,225,000.00	136	136
West Sacramento	C.F.Y. Development	Harbor Park Apartments	\$18,400,000.00	296	296
Woodland	Ezralow Company	Heritage Oaks Apartments	\$7,000,000.00	119	119
Woodland	St. Anton Partners, LLC	Sycamore Pointe Apartments	\$7,810,000.00	55	136
Woodland	Woodmark Apartment Associates, LLC	Woodmark Apartments	\$10,200,000.00	173	173
Woodland	Oakmont Retirement Communities, LLC	Oakmont @ Stockton (Atria Bayside Landing Apartments (OSL))	\$13,075,000.00	16	76
San Joaquin					
<b>Total Affordable Housing</b>			<b>\$371,262,871.00</b>	<b>3,725</b>	<b>4,914</b>

**IDBs/Manufacturing**

Project Location	Borrower	Facility Name	Bond Amount
Benicia	1996 Rix Industries	1996 Rix Industries	\$2,000,000.00
Benicia	1999 Benicia Fabrication and Machine	1999 Benicia Fabrication and Machine	\$1,805,000.00
Benicia	APM, Inc (EOPP 1997)	APM, Inc (EOPP 1997)	\$770,100.00
Benicia	APM, Inc.	APM, Inc.	\$1,500,000.00
Benicia	Red Line Synthetic Oil Corporation	Red Line Synthetic Oil Corporation	\$1,125,000.00
Benicia	Romak Iron Works, 2000 (EP)	Romak Iron Works, 2000 (EP)	\$1,020,000.00
Benicia	Romak Iron Works, 2001 (LBE)	Romak Iron Works, 2001 (LBE)	\$3,300,000.00
Fairfield	1996 Fibreboard	1996 Fibreboard	\$8,000,000.00
Fairfield	1998 MLO Products, Inc II	1998 MLO Products, Inc II	\$615,000.00
Fairfield	MLO Products, Inc.(EOPP 1997)	MLO Products, Inc.(EOPP 1997)	\$998,000.00
Fairfield	MLO Products, Inc., 1999 (EP)	MLO Products, Inc., 1999 (EP)	\$1,787,000.00
Fairfield	MLO Products, Inc., 2000 (EP)	MLO Products, Inc., 2000 (EP)	\$1,500,000.00
French Camp (Unincorporated)	Ring Can Corporation	Ring Can Corporation	\$750,000.00
Lodi	Lustre-Cal (LBE)	Lustre-Cal (LBE)	\$3,000,000.00
Manteca	American Modular Systems, Inc., 2001 (LBE)	American Modular Systems, Inc., 2001 (LBE)	\$5,000,000.00
Manteca	Sierra Spring Water Co. - Manteca	Sierra Spring Water Co. - Manteca	\$1,000,000.00
Sacramento	13th and I Associates	13th and I Associates	\$5,950,000.00

IDBs/Manufacturing

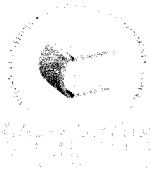
Project Location	Borrower	Facility Name	Bond Amount
Sacramento	American River Purchasing, Inc. (EOPP 1998)	American River Purchasing, Inc. (EOPP 1998)	\$970,077.00
Sacramento	Sierra Spring Water Co. - Sacramento	Sierra Spring Water Co. - Sacramento	\$2,500,000.00
Stockton	Stockton Biodiesel Manufacturing Facility	Stockton Biodiesel Manufacturing Facility	\$0.00
Vallejo	1996 Cordiero Vault Co. Inc.	1996 Cordiero Vault Co. Inc.	\$1,130,000.00
West Sacramento	2002 Omni Duct Systems (a.k.a. ECB Corp)	2002 Omni Duct Systems (a.k.a. ECB Corp)	\$2,000,000.00
<b>Total IDBs/Manufacturing</b>			<b>\$46,720,177.00</b>

501(c)(3) Nonprofit

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
Carmichael (Unincorporated)	Catholic Healthcare West	Mercy San Juan Medical Center	\$56,805,000.00
Carmichael (Unincorporated)	Catholic Healthcare West	Mercy San Juan Hospital	\$13,285,174.29
Carmichael (Unincorporated)	Eskaton Properties - 1992	Eskaton Village	\$17,300,000.00
Carmichael (Unincorporated)	Eskaton Properties - 1993	Carmichael	\$32,025,666.07
Carmichael (Unincorporated)	Eskaton Properties - 1993	American River Manor	\$7,217,051.51
Carmichael (Unincorporated)	Eskaton, Inc.	Eskaton Village, Carmichael	\$21,452,308.42
Carmichael (Unincorporated)	Eskaton, Inc.	Eskaton Home Office/Eskaton Homecare/Visiting Nursing Managed Care	\$7,516,660.36
Carmichael (Unincorporated)	Eskaton, Inc.	Eskaton Manzanita Manor	\$5,768,599.81
Carmichael (Unincorporated)	Jesuit High School	Student Athletic Center	\$12,000,000.00
Carmichael (Unincorporated)	Sutter Health	Sutter Oaks Nursing Center	\$6,060,293.95
Carmichael (Unincorporated)	Trinity Children and Family Services	Trinity Children and Family Services	\$187,969.92
Davis	Child Development Centers	Caesar Chavez Elementary School	\$62,000.00
Davis	FamiliesFirst, Inc.	FamiliesFirst	\$7,372,616.89
Davis	FamiliesFirst, Inc.	FamiliesFirst	\$2,622,383.11
Davis	Sutter Health	Sutter Davis Hospital	\$25,523,558.33
Davis	Sutter Health	Sutter Davis Hospital and Sutter Medical Center	\$19,891,666.67
Davis	Sutter Health	Sutter Davis Hospital	\$16,854,166.67
Davis	Sutter Health	Sutter Medical Foundation	\$16,854,166.67
Davis	Sutter Health	Sutter Davis Hospital	\$1,795,642.65
Davis	University Retirement Community at Davis	University Retirement Community	\$46,000,000.00
Davis	University Retirement Foundation at Davis	University Retirement Community at Davis	\$59,330,000.00
Elk Grove	Sutter Health	Sutter Medical Plaza	\$20,358,101.85
Elk Grove	Sutter Health	Sutter Medical Center	\$19,891,666.67
Fair Oaks (Unincorporated)	Eskaton, Inc.	Eskaton Homestead of Fair Oaks	\$8,682,034.06
Fair Oaks (Unincorporated)	Trinity Children and Family Services Northern California Retired Officers Community	Trinity Children and Family Services	\$187,969.92
Fairfield	Catholic Healthcare West	Paradise Valley Estates	\$92,300,000.00
Folsom	Catholic Healthcare West	Mercy Hospital of Folsom	\$18,258,750.00
Folsom	Kaiser Foundation Hospitals	Folsom MOB	\$15,402,075.00
Folsom	Kaiser Permanente	Folsom Medical Office	\$46,103,704.00
Lodi	Lodi Memorial Hospital	The South Wing addition	\$150,000,000.00
Orangevale (Unincorporated)	Sutter Health	Orangevale Integrated Medical Campus	\$9,399,108.33
Rancho Cordova	Catholic Healthcare West	Mery Healthcare Sacramento	\$22,582,403.85
Rancho Cordova	Trinity Children and Family Services	Trinity Children and Family Services	\$187,969.92
Sacramento	Catholic Healthcare West	Methodist Hospital of Sacramento	\$22,992,500.00
Sacramento	Catholic Healthcare West	Mercy General Hospital	\$13,285,174.29
Sacramento	Catholic Healthcare West	Methodist Hospital of Sacramento	\$13,285,174.29
Sacramento	Catholic Healthcare West	Mercy General Hospital	\$5,410,000.00
Sacramento	Community Resource Project	Community Resource Project	\$1,530,000.00
Sacramento	Dialysis Clinic, Inc.	Dialysis Clinic Inc.	\$3,500,000.00
Sacramento	Eskaton Properties - 1993	Glenwood Manor	\$11,547,282.42
Sacramento	Eskaton, Inc.	Green Haven Country Place	\$8,623,765.37
Sacramento	Eskaton, Inc.	Henson Gardens	\$6,911,494.80
Sacramento	Eskaton, Inc.	President James Monroe Manor	\$5,885,137.18
Sacramento	Kaiser Foundation Hospitals	South Sacramento Medical Center	\$33,004,446.00
Sacramento	Kaiser Permanente	South Sacramento Medical Center	\$60,822,608.00
Sacramento	Kaiser Permanente	South Sacramento Medical Center	\$17,450,000.00
Sacramento	Kaiser Permanente	South Sacramento Medical Center	\$12,532,941.18
Sacramento	Kaiser Permanente	South Sacramento MOB Capitol SA	\$8,375,000.00
Sacramento	Natomas Charter School	Natomas Charter School	\$1,800,000.00
Sacramento	PRIDE Industries	Pride Industries	\$6,000,000.00
Sacramento	Sacramento Country Day School	Sacramento Country Day School	\$13,350,000.00
Sacramento	Sutter Health	Sutter Memorial Hospital	\$101,790,509.26
Sacramento	Sutter Health	Sutter Health Central	\$67,382,567.71
Sacramento	Sutter Health	Sutter Memorial Hospital	\$29,612,298.39
Sacramento	Sutter Health	Sutter General Hospital	\$26,188,911.29
Sacramento	Sutter Health	Sutter General Hospital	\$21,840,308.33
Sacramento	Sutter Health	Sutter Medical Center	\$19,891,666.67

## 501(c)(3) Nonprofit

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
Sacramento	Sutter Health	Sutter General Hospital	\$17,512,345.68
Sacramento	Sutter Health	Sutter Medical Center	\$16,854,166.67
Sacramento	Sutter Health	Sutter Memorial Hospital	\$13,205,455.33
Sacramento	Sutter Health	Sutter General Hospital	\$10,287,536.02
Sacramento	Sutter Health	Sutter Oaks Alzheimer Center	\$6,060,293.95
Sacramento	Sutter Health	Sutter Oaks Nursing Center	\$6,060,293.95
Sacramento	Sutter Health	Sutter Retirement Center	\$6,060,293.95
Sacramento	Sutter Health	Sutter Center for Psychiatry	\$5,905,342.74
Sacramento	Sutter Health	Sutter Oaks Nursing Center-Midtown	\$4,938,017.29
Sacramento	Sutter Health	Sutter Center for Psychiatry	\$2,581,236.31
Sacramento	Trinity Children and Family Services	Trinity Children and Family Services	\$187,969.92
Sacramento	United Way California Capital Region	United Way California Capital Region	\$5,163,750.00
Stockton	Aspire Public Schools	Aspire Public Schools	\$7,775,000.00
Stockton	Catholic Healthcare West	St. Joseph	\$69,653,750.00
Stockton	Catholic Healthcare West	St. Joseph's Medical Center	\$5,075,147.62
Stockton	County of San Joaquin	County of San Joaquin	\$8,560,000.00
Stockton	Kaiser Foundation Hospitals	Stockton MOB	\$17,602,371.00
Stockton	Kaiser Permanente	Stockton MOB Central California SA	\$24,875,000.00
Stockton	New Turf Athletic Field	New Turf Athletic Field	\$876,933.00
Stockton	Sutter Health	Sutter Gould Medical Foundation: Stockton Clinic	\$34,307,500.00
Tracy	Sutter Health	Sutter Tracy Community Hospital	\$23,114,950.46
Tracy	Sutter Health	Sutter Tracy Community Hospital	\$19,891,666.67
Tracy	Sutter Health	Tracy Community Memorial Hospital	\$15,128,608.33
Vacaville	Fred Finch Youth Center	Vacaville Facility	\$905,266.67
Vacaville	Kaiser Foundation Hospitals	Vacaville Hospital	\$320,000,000.00
Vallejo	Kaiser Foundation Hospitals	Vallejo Medical Center	\$33,004,446.00
Vallejo	Kaiser Permanente	Vallejo Medical Center	\$101,007,553.00
Vallejo	Kaiser Permanente	Vallejo Medical Center	\$12,532,941.18
Vallejo	Kaiser Permanente	Vallejo MC, NE Bay SA	\$8,375,000.00
Vallejo	Sutter Health	Sutter Solano Medical Center	\$25,249,809.52
Vallejo	Sutter Health	Sutter Solano Medical Center	\$4,040,195.97
Woodland	Catholic Healthcare West	Woodland Memorial Hospital	\$5,410,000.00
<b>Total 501(c)(3) Nonprofit</b>			<b>\$2,124,493,335.33</b>



Senate District 32 - Senator Negrete McLeod  
 Public Benefit Projects Financed in:  
 San Bernardino County and Pomona, CA

Public Agency Programs	Program Bond Offerings	# Of Program Participants	Total Bond Amount
CaLease	6	6	\$5,103,115.00
CRA/ERAF Program	1	1	\$1,455,000.00
TRANS	21	85	\$771,303,823.00
VLF Program	2	4	\$8,013,350.00
Water/Wastewater	5	5	\$49,803,672.00
<b>Total</b>	<b>35</b>	<b>101</b>	<b>\$835,678,960.00</b>

Private Activity	Bonds Issued	Facilities Financed	Total Bond Amount	Affordable Units Produced
Affordable Housing	34	34	\$328,041,500.00	3,118
IDBs/Manufacturing	22	22	\$59,216,410.00	
501(c)(3) Nonprofit	16	19	\$558,723,016.00	
Exempt Facility/Solid Waste	2	3	\$165,951,667.00	
<b>Total</b>	<b>74</b>	<b>78</b>	<b>\$1,111,932,593.00</b>	

**Public Agency Programs**

CaLease

City	Project Name	Bond Amount
Chino	Fire Engines	\$560,158.45
Fontana	Public Safety	\$1,521,021.56
Loma Linda	Technology Equipment and Vehicles	\$907,860.24
Rialto	Portable Classrooms	\$276,589.59
Rialto	Public Safety	\$429,485.52
Rialto	Various City Equipment	\$1,408,000.00
<b>Total CaLease</b>		<b>\$5,103,115.36</b>

CRA/ERAF

Borrower	Project Name	Bond Amount
Pomona Redevelopment Agency	CRA/ERAF Loan Program Series 2005	\$1,455,000.00
<b>Total CRA/ERAF</b>		<b>\$1,455,000.00</b>

TRANS

Borrower	Project Name	Bond Amount
Apple Valley FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,355,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 1995	\$1,845,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 1996	\$1,800,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 1997	\$1,225,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 1998	\$1,160,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 1999	\$1,465,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 2000	\$1,260,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 2001	\$1,590,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 2002	\$9,793,749.90
Apple Valley FPD	Tax and Revenue Anticipation Notes 2003	\$875,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 2004	\$1,060,000.00
Apple Valley FPD	Tax and Revenue Anticipation Notes 2005	\$910,000.00
Apple Valley FPD	TRANS 1993 Pool Notes - Series A Tax and Revenue Anticipation Notes	\$4,916,283.78
Chino Valley Independent Fire District	Tax and Revenue Anticipation Notes 1994 - Series B	\$955,000.00
Chino Valley IFPD	Tax and Revenue Anticipation Notes 1995	\$2,455,000.00
Chino Valley FPD	Tax and Revenue Anticipation Notes 1996	\$3,345,000.00
Chino Valley FPD	Tax and Revenue Anticipation Notes 1997	\$3,430,000.00
Chino Valley Independent Fire District	Tax and Revenue Anticipation Notes 1998	\$3,540,000.00
Chino Valley FPD	Tax and Revenue Anticipation Notes 1999	\$3,700,000.00
Chino Valley Independent Fire District	Tax and Revenue Anticipation Notes 2000	\$4,000,000.00
Chino Valley Independent Fire District	Tax and Revenue Anticipation Notes 2001	\$4,480,000.00
Chino Valley FPD	Tax and Revenue Anticipation Notes 2002	\$9,793,749.90
Chino Valley FPD	Tax and Revenue Anticipation Notes 2003	\$4,145,000.00

TRANS

Borrower	Project Name	Bond Amount
Chino Valley Independent Fire District	Tax and Revenue Anticipation Notes 2004	\$4,310,000.00
Chino Valley FPD	Tax and Revenue Anticipation Notes 2005	\$1,715,000.00
Chino Valley FPD	TRANS 1993 Reserve Notes - Series A	\$1,500,384.62
Hesperia FPD	TRANS 1993 Reserve Notes - Series A	\$1,375,384.62
City of Pomona	Tax and Revenue Anticipation Notes 1994 - Series A	\$4,900,000.00
City of Pomona	Tax and Revenue Anticipation Notes 2000	\$5,000,000.00
City of Pomona	Tax and Revenue Anticipation Notes 2005	\$10,000,000.00
City of Pomona	Tax and Revenue Anticipation Notes 2006	\$5,000,000.00
City of Pomona	TRANS 1993 Pool Notes - Series A	\$6,216,283.78
Rancho Cucamonga FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,235,000.00
Rancho Cucamonga FPD	Tax and Revenue Anticipation Notes 1995	\$2,000,000.00
Rancho Cucamonga FPD	Tax and Revenue Anticipation Notes 1996	\$1,900,000.00
Rancho Cucamonga FPD	Tax and Revenue Anticipation Notes 1997	\$1,595,000.00
Rancho Cucamonga FPD	Tax and Revenue Anticipation Notes 1998	\$1,340,000.00
Rancho Cucamonga FPD	Tax and Revenue Anticipation Notes 1999	\$1,410,000.00
Rancho Cucamonga FPD	Tax and Revenue Anticipation Notes 2000	\$1,945,000.00
Rancho Cucamonga FPD	Tax and Revenue Anticipation Notes 2001	\$1,270,000.00
Rancho Cucamonga FPD	TRANS 1993 Reserve Notes - Series A	\$2,120,384.62
City of Redlands	Tax and Revenue Anticipation Notes 1994 - Series A	\$6,000,000.00
City of Redlands	Tax and Revenue Anticipation Notes 1995	\$4,000,000.00
City of Redlands	Tax and Revenue Anticipation Notes 1996	\$5,000,000.00
City of Redlands	Tax and Revenue Anticipation Notes 1997	\$5,000,000.00
City of Redlands	Tax and Revenue Anticipation Notes 1998	\$4,610,000.00
City of Redlands	Tax and Revenue Anticipation Notes 1999	\$5,000,000.00
City of Redlands	Tax and Revenue Anticipation Notes 2000	\$5,000,000.00
City of Redlands	Tax and Revenue Anticipation Notes 2001	\$3,000,000.00
City of Redlands	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
City of Redlands	Tax and Revenue Anticipation Notes 2006	\$12,700,000.00
City of Rialto	Tax and Revenue Anticipation Notes 1994 - Series A	\$6,000,000.00
City of Rialto	Tax and Revenue Anticipation Notes 1995	\$4,750,000.00
City of Rialto	Tax and Revenue Anticipation Notes 1996	\$4,655,000.00
City of Rialto	Tax and Revenue Anticipation Notes 1997	\$3,350,000.00
City of Rialto	Tax and Revenue Anticipation Notes 1998	\$4,755,000.00
City of Rialto	Tax and Revenue Anticipation Notes 1999	\$4,800,000.00
City of Rialto	TRANS 1993 Pool Notes - Series A	\$6,916,283.78
Rialto R.D.A	TRANS 1993 Pool Notes - Series A	\$1,706,283.78
City of San Bernardino	Tax and Revenue Anticipation Notes 1994 - Series A	\$8,000,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 1995	\$7,500,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 1996	\$7,500,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 1997	\$7,500,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 1998	\$7,765,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 1999	\$7,500,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 2000	\$5,000,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 2001	\$4,000,000.00
County of San Bernardino	Tax and Revenue Anticipation Notes 2004	\$145,000,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 2004	\$9,050,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 2004	\$7,260,000.00
County of San Bernardino	Tax and Revenue Anticipation Notes 2005	\$170,000,000.00
County of San Bernardino	Tax and Revenue Anticipation Notes 2005	\$40,000,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 2005	\$11,875,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 2005	\$8,125,000.00
County of San Bernardino	Tax and Revenue Anticipation Notes 2006	\$65,000,000.00
City of San Bernardino	Tax and Revenue Anticipation Notes 2006	\$9,000,000.00
City of Upland	Tax and Revenue Anticipation Notes 1994 - Series A	\$3,000,000.00
City of Upland	Tax and Revenue Anticipation Notes 1995	\$3,815,000.00
City of Upland	Tax and Revenue Anticipation Notes 1996	\$3,435,000.00
City of Upland	Tax and Revenue Anticipation Notes 1997	\$5,000,000.00

TRANS

Borrower	Project Name	Bond Amount
City of Upland	Tax and Revenue Anticipation Notes 1998	\$3,355,000.00
City of Upland	Tax and Revenue Anticipation Notes 1999	\$3,400,000.00
City of Upland	Tax and Revenue Anticipation Notes 2000	\$3,000,000.00
City of Upland	Tax and Revenue Anticipation Notes 2006	\$2,840,000.00
City of Upland	TRANS 1993 Pool Notes - Series A	\$2,416,283.78
<b>Total TRANS</b>		<b>\$771,303,822.45</b>

Vehicle Licensing Fee Program

Borrower	Project Name	Bond Amount
Town of Apple Valley	Vehicle Licence Fee Program 2005	\$830,061.75
City of Chino Hills	Vehicle Licence Fee Program 2005	\$1,237,761.84
City of Pomona	Vehicle Licence Fee Program 2005	\$2,653,826.91
City of San Bernardino	Vehicle Licence Fee Program 2005	\$3,291,699.70
<b>Total Vehicle Licensing Fee Program</b>		<b>\$8,013,350.20</b>

Water/Wastewater Improvements

Borrower	Project Name	Bond Amount
City of Barstow	Water and Wastewater Pool Series 2004B	\$3,850,000.00
Big Bear City Community Services District	Water Revenue Refunding Bonds 1993	\$1,511,172.38
Lake Arrowhead Community Services District	Water and Wastewater Pool Series 1999A	\$10,300,000.00
West Valley Water District	Water and Wastewater Pool Series 2004A	\$15,325,000.00
West Valley Water District	Water and Wastewater Pool Series 2006D	\$18,817,500.00
<b>Total Water/Wastewater</b>		<b>\$49,803,672.38</b>

**Private Activity Programs**

**Affordable Housing**

Project Location	Borrower	Property Name	Bond Amount	Affordable Units	Total Units
Chino	Western National Group	Chino Preserve Apartments	\$36,000,000.00	250	250
Chino Hills	OSL of Chino Hills	Oakmont of Chino Hills	\$17,600,000.00	24	118
Colton	Oracle Communities Corporation	Colton Gardens Apartments	\$6,825,000.00	96	128
Fontana	Oracle Communities Fontana 200 Corporation	Citrus Gardens Apartments	\$12,110,000.00	150	200
Grand Terrace	Corporation for Better Housing	Blue Mountain Senior Villas	\$10,500,000.00	120	108
Hesperia	KDF Communities, LLC	Sunrise Terrace I Apartments	\$11,000,000.00	110	110
Hesperia	KDF Communities, LLC	Sunrise Terrace I Apartments	\$1,000,000.00		
Hesperia	KDF Communities, LLC	Sunrise Terrace II Apartments	\$10,000,000.00	72	71
Hesperia	KDF Communities, LLC	The Village at Hesperia	\$5,450,000.00	68	67
Hesperia	KDF Communities, LLC	Village at Hesperia, Phase I	\$1,050,000.00		
Montclair	Amerland Communities, LLC	Briarwood Manor Apartments	\$5,750,000.00	100	100
Ontario	Century Quality Management Developer of Mission Suite Apartments	Cedar Villas Senior Apartments	\$1,395,000.00	136	136
Pomona		Mission Suite Apartments	\$3,500,000.00	47	117
Pomona	Century Quality Management	Pacific Villas Senior Apartments	\$17,250,000.00	132	132
Pomona	PROTOTYPES, Centers for Innovation in Health, Ment	PROTOTYPES Pomona Apartments	\$4,725,000.00	32	32
Pomona	AMCAL Multi-Housing, INC National Community Renaissance (CORE)	Serenity Villas Apartments	\$10,800,000.00	173	173
Rancho Cucamonga	Northtown Housing Development Corporation	Heritage Pointe Senior Apartments	\$4,000,000.00	49	49
Rancho Cucamonga		Olen Jones Senior Apartments	\$6,570,000.00	95	95
Rancho Cucamonga	LINC Housing Corporation	Pepperwood Apartments	\$22,000,000.00	230	230
Redlands	Equity Residential Properties Trust National Community Renaissance (CORE)	Parkview Terrace Club Apartments	\$22,650,000.00	112	558
Redlands		The Colony Apartments	\$1,500,000.00	88	88
Rialto	Landmark Companies	Green Tree Senior Apartments	\$7,350,000.00	109	272
Rialto	Oracle Communities Rialto 360 Corporation	Quail Ridge Apartments	\$19,950,000.00	144	360
Rialto	Southern California Housing	Willows/Winchester Neighborhood Revitalisation Project	\$19,300,000.00	150	152
San Bernardino	Steadfast Properties	Autumnwood Apartments	\$5,625,000.00		
San Bernardino	Steadfast Properties	Autumnwood/Sycamore Ridge	\$4,405,000.00	64	160
San Bernardino	A. F. Evans Development, Inc.	Pioneer Park Plaza Apartments	\$4,377,000.00	65	161
San Bernardino	Bertram Development Partners	Waterman Apartments	\$4,192,500.00	52	128
Twentynine Palms	Highland Property Development LLC	Twentynine Palms	\$2,675,000.00	48	48
Upland	Alpine Woods, LP	Alpine Apartments	\$5,900,000.00	55	137
Upland	NNC Apartment Ventures	Arbor Park Apartments	\$10,656,000.00	104	260
Upland	NNC Apartment Ventures	Arbor Park Apartments	\$3,336,000.00		
Victorville	Simpson Housing Solutions, LLC	Desert Springs Apartments	\$23,000,000.00	203	202
Victorville	Valued Housing, LLC	Rodeo Drive	\$5,600,000.00	40	99
<b>Total Affordable Housing</b>			<b>\$328,041,500.00</b>	<b>3,118</b>	<b>4,741</b>

**IDBs/Manufacturing**

Project Location	Borrower	Facility Name	Bond Amount
Adelanto	McElroy Metal Mill	McElroy Metal Mill	\$4,000,000.00
Adelanto	Northwest Pipe and Casing Co.	Northwest Pipe and Casing Co.	\$5,000,000.00
Chino	1996 Eurodesign #2	1996 Eurodesign #2	\$2,300,000.00
Chino	Chino Basin Municipal Water District	Chino Basin Municipal Water District	\$5,000,000.00
Colton	Amsted Industries, Inc.	Amsted Industries, Inc.	\$4,500,000.00
Fontana	Aqua-Serv Engineers, Inc.	Aqua-Serv Engineers, Inc.	\$2,500,000.00
Fontana	McCain Citrus	McCain Citrus	\$3,000,000.00
Fontana	Michigan Hanger Industries, Inc.	Michigan Hanger Industries, Inc.	\$800,000.00
Fontana	Staub Metals	Staub Metals	\$2,100,000.00
Fontana	Staub Metals Corporation	Staub Metals Corporation	\$1,800,000.00
Ontario	Agricultural Products, Inc.	Agricultural Products, Inc.	\$1,500,000.00
Pomona	Smith & Roan, Inc. dba Royal Cabinets	Smith & Roan, Inc. dba Royal Cabinets (EOPP 1997)	\$501,840.00
Pomona	Smith & Roan, Inc. dba Royal Cabinets	Smith & Roan, Inc. dba Royal Cabinets 2001 (EP)	\$949,570.00
Pomona	Z-Nix Company Inc., aka Chi Jin Chen	Z-Nix Company Inc., aka Chi Jin Chen	\$1,200,000.00
Rancho Cucamonga	American Kleaner Mfg. Co., Inc.	American Kleaner Mfg. Co., Inc.	\$2,550,000.00
Rancho Cucamonga	Andercraft Products, Inc.	Andercraft Products, Inc.	\$1,440,000.00
Rancho Cucamonga	Andercraft, Inc.	Andercraft, Inc.	\$1,450,000.00
Rancho Cucamonga	Karcher Properties, Inc.	Karcher Properties, Inc.	\$5,700,000.00
Rancho Cucamonga	Nichirin-Flex	Nichirin-Flex	\$5,000,000.00
Redlands	1996 Flambeau Airmold Co.	1996 Flambeau Airmold Co.	\$3,000,000.00
Rialto	N.R.I., Inc.	N.R.I., Inc.	\$1,925,000.00
Rialto	W. and H. Voortman	W. and H. Voortman	\$3,000,000.00
<b>Total IDBs/Manufacturing</b>			<b>\$59,216,410.00</b>

**501(c)(3) Nonprofit**

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
Apple Valley	St. Joseph Health System	St. Mary Desert Valley Hospital	\$63,447,359.15
Apple Valley	St. Joseph Health System	St. Mary Regional Medical Center	\$24,727,500.00
Apple Valley	St. Joseph Health System	St. Mary Medical Center	\$20,380,795.26
Apple Valley	St. Joseph Health System	St. Mary Regional Medical Center	\$7,963,245.00
Bloomington (Unincorporated)	Cal Mortgage Pool	Social Science Services	\$1,970,000.00
Colton	Trinity Children and Family Services	Trinity Children and Family Services	\$187,969.92
Ontario	Kaiser Foundation Hospitals	Ontario Surgery Center	\$15,402,075.00



## 501(c)(3) Nonprofit

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
Ontario	Kaiser Permanente	Ontario Medical Center	\$106,069,609.00
Pomona	Western University of Health Sciences	New programmatic building	\$105,000,000.00
Redlands	American Baptist Homes of the West	Plymouth Village Retirement Community	\$5,555,555.56
Redlands	California Housing Foundation	California Housing Foundation	\$77,530,000.00
Redlands	Loma Linda University Behavioral Medicine Center	Loma Linda University Behavioral Medicine Center	\$13,000,000.00
Redlands	Montessori in Redlands, Inc.	Montessori School	\$5,125,000.00
Redlands	Redlands Community Hospital	Redlands Community Hospital	\$65,000,000.00
San Bernardino	Catholic Healthcare West	St. Bernadine Medical Center	\$22,316,250.00
San Bernardino	Catholic Healthcare West	Community Hospital of San Bernardino	\$19,611,250.00
San Bernardino	Catholic Healthcare West	San Bernardino Community Hospital	\$2,624,218.37
San Bernardino	Catholic Healthcare West	St. Bernadine Medical Center	\$2,624,218.37
Yucaipa	Trinity Children and Family Services	Trinity Children and Family Services	\$187,969.92
<b>Total 501(c)(3) Nonprofit</b>			<b>\$558,723,015.55</b>

## Exempt Facility/Solid Waste

Project Location	Borrower	Facility Name	Bond Amount
Colton	Republic Services	Colton Material Recycling Facility	\$4,166,666.67
Rialto	Rialto Biosolids to Renewable Energy Project	Rialto Biosolids to Renewable Energy Project	\$81,785,000.00
Rialto	Rialto Biosolids to Renewable Energy Project	Rialto Biosolids to Renewable Energy Project	\$80,000,000.00
<b>Total Exempt/Solid Waste</b>			<b>\$1,149,318,753.44</b>



Senate District 35 - Senator Tom Harman  
Public Benefit Projects Financed in:  
Orange County

Public Agency Programs	Program Bond Offerings	# Of Program Participants	Total Bond Amount
CaLease	1	1	\$268,934.00
CRA/ERAF Program	2	2	\$4,490,833.00
TRANS	15	32	\$217,873,020.00
VLF Program	1	11	\$22,481,960.00
Water/Wastewater	1	1	\$739,220.00
<b>Total</b>	<b>20</b>	<b>47</b>	<b>\$245,853,967.00</b>

Private Activity	Bonds Issued	Facilities Financed	Total Bond Amount	Affordable Units Produced
Affordable Housing	30	82	\$1,057,474,571.00	4,940
IDBs/Manufacturing	10	10	\$36,484,197.00	
501(c)(3) Nonprofit	28	49	\$1,939,976,014.00	
Exempt Facility/Solid Waste	4	4	\$608,751,667.00	
<b>Total</b>	<b>72</b>	<b>145</b>	<b>\$3,642,686,449.00</b>	

**Public Agency Programs**

CaLease

Borrower	Project Name	Bond Amount
La Habra	Public Safety	\$268,934.03
<b>Total CaLease</b>		<b>\$268,934.03</b>

CRA/ERAF

Borrower	Project Name	Bond Amount
Fullerton	Fullerton Redevelopment Agency	\$1,135,000.00
Fullerton	Fullerton Redevelopment Agency	\$3,355,833.33
<b>Total CRA/ERAF</b>		<b>\$4,490,833.33</b>

TRANS

Borrower	Project Name	Bond Amount
Brea	Tax and Revenue Anticipation Notes 1995	\$4,000,000.00
City of Buena Park	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,955,000.00
City of Buena Park	TRANS 1993 Pool Notes - Series A	\$2,916,283.78
City of Cypress	TRANS 1993 Pool Notes - Series A	\$2,801,283.78
City of Fullerton	Tax and Revenue Anticipation Notes 1995	\$4,500,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 1996	\$4,500,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 1997	\$4,695,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 1998	\$4,755,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 1999	\$5,000,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 2000	\$4,675,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 2001	\$4,830,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
City of Fullerton	Tax and Revenue Anticipation Notes 2004	\$4,545,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 2004	\$4,390,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 2005	\$7,385,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 2005	\$5,000,000.00
City of Fullerton	Tax and Revenue Anticipation Notes 2006	\$12,600,000.00
Orange County Fire Authority	Tax and Revenue Anticipation Notes 2000	\$17,900,000.00
Orange County Fire Authority	Tax and Revenue Anticipation Notes 2001	\$24,175,000.00
Orange County Fire Authority	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
Orange County Fire Authority	Tax and Revenue Anticipation Notes 2003	\$26,350,000.00
Orange County Fire Authority	Tax and Revenue Anticipation Notes 2004	\$22,045,000.00
City of Irvine	TRANS 1993 Pool Notes - Series A	\$8,916,283.78
City of Laguna Beach	Tax and Revenue Anticipation Notes 1994 - Series A	\$4,750,000.00
City of Laguna Beach	Tax and Revenue Anticipation Notes 1995	\$5,000,000.00
City of Laguna Beach (3)	TRANS 1993 Pool Notes - Series A	\$1,916,283.78
City of Seal Beach	Tax and Revenue Anticipation Notes 1996	\$2,100,000.00
City of Seal Beach	Tax and Revenue Anticipation Notes 1997	\$1,605,000.00

TRANS

Borrower	Project Name	Bond Amount
City of Seal Beach	Tax and Revenue Anticipation Notes 1998	\$1,550,000.00
City of Seal Beach	Tax and Revenue Anticipation Notes 1999	\$1,550,000.00
City of Seal Beach	Tax and Revenue Anticipation Notes 2000	\$1,490,000.00
City of Stanton	TRANS 1993 Reserve Notes - Series A	\$390,384.62
<b>Total TRANS</b>		<b>\$217,873,019.52</b>

Vehicle Licensing Fee Program

Borrower	Project Name	Bond Amount
City of Anaheim	Vehicle Licence Fee Program 2005	\$5,721,982.01
City of Brea	Vehicle Licence Fee Program 2005	\$643,722.97
City of Fullerton	Vehicle Licence Fee Program 2005	\$2,229,409.26
City of La Habra	Vehicle Licence Fee Program 2005	\$1,037,567.08
City of Laguna Beach	Vehicle Licence Fee Program 2005	\$416,956.54
City of Los Alamitos	Vehicle Licence Fee Program 2005	\$200,381.29
City of Mission Viejo	Vehicle Licence Fee Program 2005	\$1,677,779.95
City of Orange	Vehicle Licence Fee Program 2005	\$2,281,111.27
City of Placentia	Vehicle Licence Fee Program 2005	\$832,539.57
City of Santa Ana	Vehicle Licence Fee Program 2005	\$5,903,473.15
City of Westminster	Vehicle Licence Fee Program 2005	\$1,537,036.56
<b>Total Vehicle Licensing Fee Program</b>		<b>\$22,481,959.65</b>

Water/Wastewater Improvements

Borrower	Project Name	Bond Amount
City of Barstow	Water and Wastewater Pool Series 2004B	\$3,850,000.00
Big Bear City Community Services District	Water Revenue Refunding Bonds 1993 Water and Wastewater Pool Series	\$1,511,172.38
Lake Arrowhead Community Services District	1999A Water and Wastewater Pool Series	\$10,300,000.00
West Valley Water District	2004A Water and Wastewater Pool Series	\$15,325,000.00
West Valley Water District	2006D Water and Wastewater Pool Series	\$18,817,500.00
<b>Total Water/Wastewater</b>		<b>\$49,803,672.38</b>

**Private Activity Programs**

**Affordable Housing**

Project Location	Borrower	Property Name	Bond Amount	Affordable Units	Total Units
Brea	KDF Communities LLC	Imperial Park East	\$6,000,000.00	36	36
Brea	KDF Communities LLC	Imperial Park West	\$6,000,000.00	56	56
Buena Park	KDF Holdings	Emerald Gardens Apartments	\$8,145,000.00	110	110
Costa Mesa	Episcopal Housing Alliance	St. Johns Manor	\$4,430,000.00	36	36
Cypress	National Church Residences	Cypress Sunrise Apartments	\$4,040,000.00	74	75
Cypress	National Church Residences	Cypress Sunrise Apartments	\$2,257,000.00		
Garden Grove	BlackRock Realty	Bayport Apartments	\$28,750,000.00	402	402
Garden Grove	BlackRock Realty	Crystal View Apartments	\$27,075,000.00		
Garden Grove	Steadfast Companies	Orange Tree Apartments	\$6,766,000.00	32	80
Huntington Beach	Archstone Communities	Rivermeadows	\$10,000,000.00	31	152
Huntington Beach	Ellis Group, LLC	Beachview Villas	\$6,450,000.00	86	106
Huntington Beach	KDF Hermosa, L.P.	Hermosa Vista Apartments	\$6,700,000.00	87	88
Huntington Beach	KDF QV, LP	Quo Vadis Apartments	\$6,995,000.00	42	104
Huntington Beach	FountainGlen Properties	The Fountains at Seaciff	\$23,595,000.00	80	271
Irvine	Wood Partners	Alta Pacific	\$28,260,000.00	27	132
Irvine	Irvine Apartment Communities	Northwood Place Apartments	\$30,830,000.00	186	604
Irvine	Irvine Apartment Communities	Northwood Place Apartments	\$30,830,000.00		
Irvine	Irvine Apartment Communities	San Marco Apartments	\$24,692,000.00	361	426
Irvine	Irvine Apartment Communities	San Marco Apartments	\$24,692,000.00	59	200
Irvine	Irvine Apartment Communities	San Paulo Apartments	\$22,680,000.00	203	382
Irvine	Irvine Apartment Communities	San Paulo Apartments	\$22,680,000.00		
Irvine	Irvine Apartment Communities	Turtle Rock Canyon Apartments	\$19,073,000.00	66	217
Irvine	Irvine Apartment Communities	Turtle Rock Canyon Apartments	\$19,073,000.00		
Irvine	Irvine Apartment Communities	Dartmouth Court Apartments	\$17,793,000.00	89	294
Irvine	Irvine Apartment Communities	Dartmouth Court Apartments	\$17,793,000.00		
Irvine	Irvine Apartment Communities	Stanford Court Apartments	\$14,320,000.00	96	320
Irvine	Irvine Apartment Communities	Stanford Court Apartments	\$14,320,000.00		
Irvine	Irvine Apartment Communities	San Leon Apartments	\$12,568,000.00	72	248
Irvine	Irvine Apartment Communities	San Leon Apartments	\$12,568,000.00		
Irvine	Irvine Apartment Communities	Windwood Glen Apartments	\$10,000,000.00	40	196
Irvine	Irvine Apartment Communities	Windwood Glen Apartments	\$10,000,000.00		
Irvine	Irvine Apartment Communities	San Marino Apartments	\$9,998,000.00		
Irvine	Irvine Apartment Communities	San Marino Apartments	\$9,998,000.00		
Irvine	Irvine Apartment Communities	Woodbridge Willows	\$9,800,000.00	40	200
Irvine	Irvine Apartment Communities	Woodbridge Willows	\$9,800,000.00		
Irvine	Irvine Apartment Communities	Cedar Creek Apartments	\$8,900,000.00	36	176
Irvine	Irvine Apartment Communities	Cedar Creek Apartments	\$8,900,000.00		
Irvine	Irvine Apartment Communities	Northwood Park Apartments	\$8,141,000.00	34	168
Irvine	Irvine Apartment Communities	Northwood Park Apartments	\$8,141,000.00		
Irvine	Irvine Apartment Communities	San Remo Villas II Apartments	\$7,203,000.00	38	112
Irvine	Irvine Apartment Communities	San Remo Villas II Apartments	\$7,203,000.00		
Irvine	Irvine Apartment Communities	Cross Creek Apartments	\$6,855,000.00	44	136
Irvine	Irvine Apartment Communities	Cross Creek Apartments	\$6,855,000.00		
Irvine	Irvine Apartment Communities	San Remo Villas I Apartments	\$6,836,000.00	40	136
Irvine	Irvine Apartment Communities	San Remo Villas I Apartments	\$6,836,000.00		
Irvine	Irvine Apartment Communities	Berkley Court Phase I Apartments	\$5,680,000.00	22	106
Irvine	Irvine Apartment Communities	Berkley Court Phase I Apartments	\$5,680,000.00		
Irvine	Irvine Apartment Communities	Cornell Court Apartments	\$5,280,000.00	100	109
Irvine	Irvine Apartment Communities	Cornell Court Apartments	\$5,280,000.00		
Irvine	Irvine Apartment Communities	Harvard Court Apartments	\$5,237,000.00	33	112
Irvine	Irvine Apartment Communities	Harvard Court Apartments	\$5,237,000.00		
Irvine	Irvine Apartment Communities	Deerfield Phase II Apartments	\$3,400,000.00	20	96
Irvine	Irvine Apartment Communities	Deerfield Phase II Apartments	\$3,400,000.00		
Irvine	Irvine Apartment Communities	Columbia Court Apartments	\$2,640,000.00	12	58
Irvine	Irvine Apartment Communities	Columbia Court Apartments	\$2,640,000.00		
Irvine	Irvine Apartment Communities	Berkley Court Phase II Apartments	\$2,512,000.00	10	46
Irvine	Irvine Apartment Communities	Berkley Court Phase II Apartments	\$2,512,000.00		
Irvine	Irvine Apartment Communities	Villa Siena II Apartments (Bldg 6/7)	\$32,038,000.00	41	201
Irvine	Irvine Apartment Communities	Villa Siena II Apartments (Bldg 6/7)	\$23,079,333.33		
Irvine	Irvine Apartment Communities	Villa Siena Apartments (Bldg 5)	\$23,079,333.33	23	104
Irvine	Irvine Apartment Communities	Villa Siena Apartments (Bldg 5)	\$23,079,333.33		
Irvine	Irvine Apartment Communities	Villa Siena I (Building 1)	\$23,079,333.33	44	216
La Habra	KDF Communities, LLC	Cypress Villa Apartments	\$5,265,000.00	72	72
La Palma	Steadfast Companies	Nova Casa La Palma Apartments	\$20,530,000.00	272	272
Laguna Hills	WNC and Associates	Rancho Niguel Apartments	\$6,194,000.00	51	51
Newport Beach	Irvine Apartment Communities	Newport North Apartments	\$38,770,000.00	240	570
Newport Beach	Irvine Apartment Communities	Newport North Apartments	\$38,770,000.00		
Orange	Living Opportunities Management Company (LOMCO)	Community Gardens Towers East Apartments	\$8,912,500.00	210	210
Orange	Living Opportunities Management Company (LOMCO)	Community Gardens Towers West Apartments	\$8,912,500.00	123	123
Orange	Forest City	Knolls Apartments	\$12,715,000.00	260	260
Orange	Orange Housing Development	Casa Ramon Apartments	\$4,169,000.00	30	75
Orange	RHC Communities	Orangevale Townhome Apartments	\$2,534,000.00	64	64
San Clemente	BlackRock Realty	Whispering Winds	\$18,360,000.00	250	250
San Juan Capistrano	Linc Housing	Seasons I at San Juan	\$5,988,571.26	112	112
San Juan Capistrano	Linc Housing	Season's Senior Apartments	\$5,265,000.00		
Tustin	Steadfast Companies	Flanders Pointe	\$6,000,000.00	50	82
Tustin	Irvine Apartment Communities	Rancho Alisal Apartments	\$20,933,000.00	72	356
Tustin	Irvine Apartment Communities	Rancho Alisal Apartments	\$20,933,000.00		
Tustin	Irvine Apartment Communities	Rancho Tierra Apartments	\$20,151,000.00	51	252
Tustin	Irvine Apartment Communities	Rancho Tierra Apartments	\$20,151,000.00		

**Affordable Housing**

Project Location	Borrower	Property Name	Bond Amount	Affordable Units	Total Units
Tustin	Irvine Apartment Communities	Rancho Maderas Apartments	\$19,898,000.00	54	266
Tustin	Irvine Apartment Communities	Rancho Maderas Apartments	\$19,898,000.00		
Westminster	Corporation for Better Housing	Westminster Senior Apartments	\$7,510,000.00	37	92
	KOA Development, Inc.	Brook Park West Apartments	\$6,250,000.00	184	184
<b>Total Affordable Housing</b>			<b>\$1,063,724,571.25</b>	<b>4,940</b>	<b>9,802</b>

**IDBs/Manufacturing**

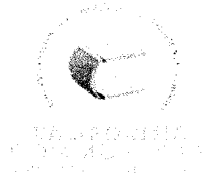
Project Location	Borrower	Facility Name	Bond Amount
Aliso Viejo	American Zettler, Inc.	American Zettler, Inc.	\$2,500,000.00
Buena Park	Nutrilite, Inc.	Nutrilite, Inc.	\$5,000,000.00
Costa Mesa	Pacific Handy Cutter, Inc.	Pacific Handy Cutter, Inc.	\$1,560,000.00
Fullerton	K.U.M. Ltd.	K.U.M. Ltd.	\$4,000,000.00
Garden Grove	C&D Aerospace Inc., 2000 (EP)	C&D Aerospace Inc., 2000 (EP)	\$764,197.00
Huntington Beach	1998 Dix Metals	1998 Dix Metals	\$5,560,000.00
Irvine	Calsonic Miura Graphics, Inc.	Calsonic Miura Graphics, Inc.	\$7,000,000.00
Lake Forest	1997 Biocol/ Bioglan Laboratories	1997 Biocol/ Bioglan Laboratories	\$3,000,000.00
Placentia	Instrument Specialties	Instrument Specialties	\$2,100,000.00
Tustin	Interplex NASCAL	Interplex NASCAL	\$5,000,000.00
<b>Total IDBs/Manufacturing</b>			<b>\$36,484,197.00</b>

**501(c)(3) Nonprofit**

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
Aliso Viejo	St. Mary and All Angels	Saint Mary & All Angels School	\$10,100,000.00
Aliso Viejo	St. Mary and All Angels School	St. Mary's and All Angels School	\$20,700,000.00
Anaheim	California Lutheran Homes	Walnut Manor	\$4,222,500.00
Anaheim	Front Porch Walnut Village	Walnut Village	\$110,000,000.00
Anaheim	Kaiser Permanente	Orange County Medical Center	\$12,532,941.18
Anaheim	Memorial Health Services	Anaheim Memorial Medical Center	\$50,000,000.00
Anaheim	Memorial Health Services	Memorial Health Services	\$5,500,000.00
Anaheim	The Internext Group	Walnut Manor	\$21,687,500.00
Anaheim	Tiger Woods Learning Center Foundation	Tiger Woods Learning Center	\$10,775,000.00
Anaheim	UniHealth America	Martin Luther Hospital	\$33,223,557.95
Anaheim	United Western Medical Centers	Western Medical Center	\$29,580,375.17
Fountain Valley	Memorial Health Services	Memorial Health Services	\$83,500,000.00
Fountain Valley	Memorial Health Services	Orange Coast Memorial Medical Center	\$50,000,000.00
Fullerton	St. Joseph Health System	St. Jude Medical Center	\$156,265,989.00
Fullerton	St. Joseph Health System	St. Jude Hospital/Medical Center	\$32,450,176.06
Fullerton	St. Joseph Health System	St. Jude Hospital/Medical Center	\$29,365,877.04
Fullerton	St. Joseph Health System	St. Jude Medical Center	\$24,727,500.00
Fullerton	St. Joseph's Health System	St. Jude Hospital/Medical Center	\$15,828,363.95
Huntington Beach	Pegasus School	The Pegasus School	\$10,025,000.00
Irvine	CHF - Irvine, L.L.C.	Vista Del Campo Norte	\$99,290,000.00
Irvine	CHF - Irvine, LLC	East Campus Phase II	\$109,780,000.00
Irvine	Concordia University Irvine	Concordia University Irvine	\$28,000,000.00
Irvine	EAH University Properties	UC Irvine Student Housing	\$104,500,000.00
Irvine	Kaiser Foundation Hospitals	Sand Canyon Medical Center	\$15,402,075.00
Irvine	Kaiser Permanente	Canyon Medical Center	\$143,606,709.00
Laguna Hills	Memorial Health Services	Saddleback Memorial Medical Center	\$50,000,000.00
Laguna Hills	Memorial Health Services	Memorial Health Services	\$5,500,000.00
Mission Viejo	St. Joseph Health System	Mission Hospital	\$123,385,000.00
Mission Viejo	St. Joseph Health System	Mission Hospital Regional Medical Center	\$27,831,838.69
Mission Viejo	St. Joseph Health System	Mission Hospital	\$26,191,250.00
Mission Viejo	St. Joseph Health System	Mission Hospital	\$24,727,500.00
Mission Viejo	St. Joseph Health System	Mission Hospital	\$12,304,891.00
Mission Viejo	St. Joseph's Health System	Mission Hospital Regional Medical Center	\$15,828,363.95
Mission Viejo	Vocational Visions	Vocational Visions	\$1,250,000.00
Mission Viejo	Vocational Visions	Vocational Visions	\$1,250,000.00
Orange	SCPH, Inc. DBA Kirkwood at Orange	Kirkwood at Orange	\$6,000,000.00
Orange	St. Joseph Health System	St. Joseph Hospital	\$225,714,546.00
Orange	St. Joseph Health System	St. Joseph Hospital of Orange	\$39,227,552.17
Orange	St. Joseph Health System	St. Joseph Corporate Office	\$24,727,500.00
Orange	St. Joseph Health System	St. Joseph Hospital	\$24,727,500.00
Orange	St. Joseph Health System	Saint Joseph Health System	\$23,792,759.68
Orange	St. Joseph Health System	St. Joseph Hospital of Orange	\$23,792,759.68
Orange	St. Joseph's Health System	St. Joseph Hospital of Orange	\$15,828,363.95
Santa Ana	Child Development Centers	Tustin Memorial Elementary School	\$62,000.00
Santa Ana	United Western Medical Centers	Western Medical Center	\$37,590,538.88
Santa Ana	United Western Medical Centers	Western Medical Center	\$18,994,085.95
Tustin	Child Development Centers	Peters Canyon Elementary School	\$62,000.00
Tustin	Child Development Centers	Robert P. Heideman Elementary School	\$62,000.00
Tustin	Child Development Centers	W.R. Nelson Elementary School	\$62,000.00
<b>Total 501(c)(3) Nonprofit</b>			<b>\$1,939,976,014.30</b>

Exempt Facility/Solid Waste

Project Location	Borrower	Facility Name	Bond Amount
Anaheim	Republic Services	Republic Services (Taormina Industries, Inc.)	\$4,166,666.67
San Clemente	San Onofre Nuclear Generating Station	San Onofre Nuclear Generating Station	\$331,000,000.00
San Clemente	San Onofre Nuclear Generating Station	San Onofre Nuclear Generating Station	\$248,585,000.00
Santa Ana	Waste Management (Non Volume Cap)	Waste Management	\$25,000,000.00
<b>Total Exempt/Solid Waste</b>			<b>\$608,751,666.67</b>



Senate District 39 - Senator Christine Kehoe  
Public Benefit Projects Financed in:  
San Diego County

Public Agency Programs	Program Bond Offerings	# Of Program Participants	Total Bond Amount
CaLease	12	12	\$18,769,391.00
CRA/ERAF Program	2	2	\$4,120,833.00
TRANS	16	76	\$246,186,140.00
VLf Program	1	5	\$85,803,327.00
SCIP	1	1	\$1,307,500.00
Water/Wastewater	1	1	\$1,330,277.00
<b>Total</b>	<b>33</b>	<b>97</b>	<b>\$357,517,468.00</b>

Private Activity	Bonds Issued	Facilities Financed	Total Bond Amount	Affordable Units Produced
Affordable Housing	31	31	\$257,526,233.00	2,417
IDBs/Manufacturing	13	13	\$43,598,000.00	
501(c)(3) Nonprofit	44	92	\$1,163,496,588.00	
<b>Total</b>	<b>88</b>	<b>136</b>	<b>\$1,464,620,821.00</b>	

**Public Agency Programs**

CaLease

Borrower	Project Name	Bond Amount
Chula Vista	Communication and Energy Equipment	\$3,515,543.80
Chula Vista	Financial Management System	\$5,346,456.58
Chula Vista	Library Automation System	\$680,137.25
El Cajon	Computer Aided Dispatch System Replacement	\$787,450.09
El Cajon	Regional 800 Mhz Communication System	\$2,224,099.56
La Mesa	800 mhz and CAD System Equipment	\$917,748.35
La Mesa	Lease Purchase Agreement	\$572,301.87
La Mesa	Rolling stock and equipment	\$1,283,552.89
La Mesa	Rolling stock and equipment	\$1,219,671.79
La Mesa	Rolling stock and equipment	\$729,738.06
La Mesa	Rolling stock and equipment	\$658,159.62
La Mesa	Transportation	\$834,531.05
<b>Total CaLease</b>		<b>\$18,769,390.91</b>

CRA/ERAF

Borrower	Project Name	Bond Amount
Chula Vista Redevelopment Agency	CRA/ERAF Loan Program Series 2005	\$765,000.00
Chula Vista Redevelopment Agency	ERAF 2006	\$3,355,833.33
<b>Total CRA/ERAF</b>		<b>\$4,120,833.33</b>

TRANS

Borrower	Project Name	Bond Amount
City of Chula Vista	Tax and Revenue Anticipation Notes 1996	\$5,970,000.00
City of Chula Vista	Tax and Revenue Anticipation Notes 1997	\$9,080,000.00
City of Chula Vista	Tax and Revenue Anticipation Notes 1998	\$7,285,000.00
City of Chula Vista	Tax and Revenue Anticipation Notes 1999	\$6,500,000.00
City of Chula Vista	Tax and Revenue Anticipation Notes 2000	\$2,500,000.00
City of Chula Vista	Tax and Revenue Anticipation Notes 2006	\$9,695,000.00
City of El Cajon	Tax and Revenue Anticipation Notes 1994 - Series A	\$4,170,000.00
Bostonia FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$115,000.00
Crest FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$105,000.00
City of El Cajon	TRANS 1993 Pool Notes - Series A	\$4,116,283.78
Bostonia FPD	TRANS 1993 Reserve Notes - Series A	\$275,384.62
Crest FPD	TRANS 1993 Reserve Notes - Series A	\$225,384.62
Encinitas FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,905,000.00
City of Encinitas	TRANS 1993 Pool Notes - Series A	\$1,416,283.78
Encinitas FPD	TRANS 1993 Pool Notes - Series A	\$1,411,283.78
Cardiff Sanitation	TRANS 1993 Pool Notes - Series A	\$916,283.78
Encinitas Sanitation	TRANS 1993 Pool Notes - Series A	\$396,283.78

## TRANS

Borrower	Project Name	Bond Amount
North County FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,460,000.00
North County FPD	Tax and Revenue Anticipation Notes 1995	\$1,900,000.00
North County FPD	Tax and Revenue Anticipation Notes 1996	\$1,825,000.00
North County FPD	Tax and Revenue Anticipation Notes 1997	\$1,900,000.00
North County FPD	Tax and Revenue Anticipation Notes 1998	\$1,820,000.00
North County FPD	Tax and Revenue Anticipation Notes 1999	\$1,730,000.00
North County FPD	Tax and Revenue Anticipation Notes 2000	\$1,730,000.00
North County FPD	Tax and Revenue Anticipation Notes 2001	\$1,685,000.00
North County FPD	TRANS 1993 Pool Notes - Series A	\$1,816,283.78
City of La Mesa	Tax and Revenue Anticipation Notes 1994 - Series A	\$3,570,000.00
City of La Mesa	Tax and Revenue Anticipation Notes 1996	\$1,855,000.00
City of La Mesa	Tax and Revenue Anticipation Notes 1997	\$3,160,000.00
City of La Mesa	Tax and Revenue Anticipation Notes 1998	\$1,535,000.00
City of La Mesa	Tax and Revenue Anticipation Notes 1999	\$3,035,000.00
City of La Mesa	Tax and Revenue Anticipation Notes 2000	\$1,310,000.00
City of La Mesa	Tax and Revenue Anticipation Notes 2001	\$1,030,000.00
City of La Mesa	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
City of La Mesa	TRANS 1993 Pool Notes - Series A	\$3,116,283.78
Lakeside FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$1,485,000.00
Lakeside FPD	Tax and Revenue Anticipation Notes 1995	\$1,805,000.00
Lakeside FPD	Tax and Revenue Anticipation Notes 1996	\$1,420,000.00
Lakeside FPD	Tax and Revenue Anticipation Notes 1997	\$1,645,000.00
Lakeside FPD	Tax and Revenue Anticipation Notes 1998	\$1,470,000.00
Lakeside FPD	Tax and Revenue Anticipation Notes 1999	\$1,480,000.00
Lakeside FPD	Tax and Revenue Anticipation Notes 2000	\$1,920,000.00
Lakeside FPD	Tax and Revenue Anticipation Notes 2001	\$2,000,000.00
Lakeside FPD	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
Lakeside FPD	Tax and Revenue Anticipation Notes 2003	\$1,005,000.00
Lakeside FPD	Tax and Revenue Anticipation Notes 2004	\$400,000.00
Lakeside FPD	TRANS 1993 Pool Notes - Series A	\$1,916,283.78
City of National City	Tax and Revenue Anticipation Notes 2000	\$1,500,000.00
City of National City	Tax and Revenue Anticipation Notes 2001	\$1,500,000.00
City of National City	Tax and Revenue Anticipation Notes 2004	\$2,000,000.00
City of National City	TRANS 1993 Pool Notes - Series A	\$3,916,283.78
City of Oceanside	Tax and Revenue Anticipation Notes 1994 - Series A	\$8,000,000.00
City of Oceanside	Tax and Revenue Anticipation Notes 1995	\$7,000,000.00
City of Oceanside	Tax and Revenue Anticipation Notes 1996	\$8,000,000.00
City of Oceanside	Tax and Revenue Anticipation Notes 1997	\$6,365,000.00
City of Oceanside	Tax and Revenue Anticipation Notes 1998	\$4,795,000.00
City of Oceanside	Tax and Revenue Anticipation Notes 1999	\$4,510,000.00
City of Oceanside	Tax and Revenue Anticipation Notes 2000	\$3,830,000.00
City of Oceanside	TRANS 1993 Pool Notes - Series B	\$3,000,000.00
San Diego Rural FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$135,000.00
City of San Marcos	TRANS 1993 Pool Notes - Series A	\$4,916,283.78
San Miguel FPD	Tax and Revenue Anticipation Notes 1994 - Series A	\$2,580,000.00
San Miguel FPD	Tax and Revenue Anticipation Notes 1995	\$2,070,000.00
San Miguel FPD	Tax and Revenue Anticipation Notes 1996	\$1,750,000.00
San Miguel FPD	Tax and Revenue Anticipation Notes 1997	\$2,405,000.00
San Miguel FPD	Tax and Revenue Anticipation Notes 1998	\$2,605,000.00
San Miguel FPD	Tax and Revenue Anticipation Notes 1999	\$2,710,000.00
San Miguel FPD	Tax and Revenue Anticipation Notes 2000	\$2,365,000.00
San Miguel FPD	Tax and Revenue Anticipation Notes 2001	\$3,490,000.00
San Miguel Consolidated FPD	Tax and Revenue Anticipation Notes 2002	\$9,793,749.89
San Miguel FPD	Tax and Revenue Anticipation Notes 2003	\$3,815,000.00
San Miguel FPD	Tax and Revenue Anticipation Notes 2004	\$4,230,000.00
San Miguel FPD	Tax and Revenue Anticipation Notes 2005	\$4,060,000.00



TRANS

Borrower	Project Name	Bond Amount
San Miguel Consolidated FPD	Tax and Revenue Anticipation Notes 2006	\$4,265,000.00
San Miguel FPD	TRANS 1993 Pool Notes - Series A	\$2,886,283.78
Vista Unified School District	TRANS 1993 Pool Notes - Series B	\$11,000,000.00
<b>Total TRANS</b>		<b>\$246,186,140.49</b>

Vehicle Licensing Fee Program

Borrower	Project Name	Bond Amount
City of National City	Vehicle Licence Fee Program 2005	\$1,013,589.83
City of Poway	Vehicle Licence Fee Program 2005	\$845,019.94
County of San Diego	Vehicle Licence Fee Program 2005	\$60,749,528.18
City of San Diego	Vehicle Licence Fee Program 2005	\$21,622,119.26
City of Vista	Vehicle Licence Fee Program 2005	\$1,573,070.26
<b>Total Vehicle Licensing Fee Program</b>		<b>\$85,803,327.47</b>

SCIP (Infrastructure Improvements)

City	Project Name	Bond Amount
San Diego	Venture Commerce Center Olay Mesa (VCC-OM)	\$1,307,500.00
<b>Total SCIP</b>		<b>\$1,191,871,134.13</b>

Water/Wastewater Improvements

City	Borrower	Bond Amount
Lakeside (Unincorporated)	Lakeside Water District	\$1,330,277.42
<b>Total Water/Wastewater</b>		<b>\$1,330,277.42</b>

**Private Activity Programs**

**Affordable Housing**

Project Location	Borrower	Property Name	Bond Amount	Affordable Units	Total Units
Carlsbad	Archstone Communities Refinancing	Seascape Village	\$15,115,000.00	42	208
Chula Vista	Avalon Communities, LLC	Main Plaza	\$7,400,000.00	105	105
Chula Vista	Avalon Communities, LLC	Main Plaza Apartments	\$9,400,000.00	83	83
Chula Vista	Avalon Communities, LLC	Main Plaza Apartments	\$2,000,000.00	106	106
Coronado	San Diego Interfaith Housing Foundation	525 Orange	\$2,700,000.00	16	16
Coronado	Coronado Interfaith Housing Corporation	Coronado Senior Housing	\$4,131,000.00	30	30
El Cajon	Steadfast Lexington Green, L.P.	Lexington Green Apartments	\$17,879,200.00	142	144
Escondido	Steadfast Companies	Cypress Cove	\$11,485,000.00	80	200
Escondido	Aegis Assisted Living	Oakmont of Escondido	\$14,940,000.00	60	118
Escondido	Escondido Gardens, LP	Sonoma Court Apartments	\$1,825,000.00	13	61
Escondido	Escondido Housing Partners, LP	Washington Plaza Apartments	\$3,575,880.00	44	44
Fallbrook (Unincorporated)	Community Housing Works	Pine View Apartments	\$9,000,000.00	101	101
Lakeside (Unincorporated)	Metropolitan Area Advisory Committee on Anti-Pover	Villa Lakeshore Apartments	\$3,020,000.00	34	34
Oceanside	Southern California Housing National Community Renaissance	Cape Cod Senior Villas	\$3,500,000.00	36	36
Oceanside	(CORE)	La Mision Village	\$12,275,000.00	79	80
Oceanside	National Community Renaissance (CORE)	La Mision Village	\$1,350,000.00		
Oceanside	Westgate Courtyards, LP	Westgate Apartments III	\$12,125,000.00	200	204
Poway	Retirement Housing Foundation	Los Arcos Apartments	\$5,558,733.00	84	84
San Diego	Zigman Properties LP	Foxwood Apartments	\$4,150,000.00	26	130
San Diego	Avalon Communities, LLC	Island Gardens Apartments	\$6,345,000.00	122	122
San Diego	Steadfast Properties	Lancaster Manor	\$9,650,000.00	100	248
San Diego	Fairfield Residential National Community Renaissance (CORE)	Sagewood Apartments	\$10,928,000.00	43	106
San Diego	Enhanced Affordable Development Company, LLC	Vista Terraza	\$13,525,000.00	122	123
San Marcos	Enhanced Affordable Development Company, LLC	Las Flores Village	\$13,500,000.00	100	100
San Marcos	Enhanced Affordable Development Company, LLC	Rancho Santa Fe Village	\$13,000,000.00	120	120
San Marcos	Southern California Housing	University Commons Affordable Housing	\$13,000,000.00	113	114
San Ysidro (Unincorporated)	Steadfast Companies	Nova Rio Vista Apartments	\$8,727,000.00	121	161
Santee	Amerland Communities, LLC	Carlton Country Club Villas	\$7,670,000.00	130	130
Santee	MW Development	Laurel Park	\$6,413,000.00		
Santee	Foundation for Affordable Housing	Laurel Park Senior Apartments	\$6,338,420.00	132	132
Santee	Santee Apartments LP	Woodside Apartments	\$7,000,000.00	33	82
<b>Total Affordable Housing</b>			<b>\$257,526,233.00</b>	<b>2,417</b>	<b>3,222</b>

**IDBs/Manufacturing**

Project Location	Borrower	Facility Name	Bond Amount
Escondido	U.S. Circuit	U.S. Circuit	\$3,250,000.00
San Diego	1996 Figi Graphics	1996 Figi Graphics	\$3,000,000.00
San Diego	2002 Multiple Peptide Systems	2002 Multiple Peptide Systems	\$4,500,000.00
San Diego	Cantare Foods	Cantare Foods	\$10,000,000.00
San Diego	Carvin Corp.	Carvin Corp.	\$2,800,000.00
San Diego	Datatape, Inc.	Datatape, Inc.	\$1,700,000.00
San Diego	Howard S. Leight and Associates	Howard S. Leight and Associates	\$6,500,000.00
San Diego	Jaygee Realty Co./Figi Graphics	Jaygee Realty Co./Figi Graphics	\$500,000.00
San Diego	JDI Partners	JDI Partners	\$3,000,000.00
San Diego	JTF Enterprises, LLC	JTF Enterprises, LLC	\$3,000,000.00
San Diego	Loftin Business Forms Inc. (EOPP 1997)	Loftin Business Forms Inc. (EOPP 1997)	\$1,748,000.00
Vista	Systems Engineering and Management Co.	Systems Engineering and Management Co.	\$1,900,000.00
Vista	Systems Engineering and Management Co.	Systems Engineering and Management Co.	\$1,700,000.00
<b>Total IDBs/Manufacturing</b>			<b>\$43,598,000.00</b>

**501(c)(3) Nonprofit**

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
Carlsbad	California Lutheran Homes	California Lutheran Homes	\$37,255,000.00
Carlsbad	California Lutheran Homes	California Lutheran Homes	\$4,222,500.00
Carlsbad	Gemological Institute of America	The Gemological Institute	\$38,400,000.00
Carlsbad	The Internext Group	California Lutheran Homes	\$21,687,500.00
Chula Vista	California Trust for Public Schools	Sweetwater Union HSD Admin. Ctr.	\$33,650,000.00
Chula Vista	MAAC Charter School	MAAC Charter School	\$4,200,000.00
Chula Vista	MAAC Community Center/Charter School	MAAC Project - 2002	\$2,500,000.00
Chula Vista	MAAC Project	MAAC Charter School	\$1,400,000.00
Chula Vista	Pacific Homes	Fredericka Manor	\$10,487,076.34
Chula Vista	Pacific Homes	Fredericka Manor Conv. Hospital	\$4,823,175.39
Chula Vista	Pacific Homes	Pacific Homes Pharmacy	\$116,000.00
Chula Vista	Pacific Homes	Pacific Homes Homecare	\$109,000.00
Chula Vista	The ARC of San Diego	The ARC of San Diego	\$2,061,672.05
Chula Vista	The ARC of San Diego	The ARC of San Diego	\$125,991.07
Chula Vista	The ARC of San Diego	The ARC of San Diego	\$114,537.34
Chula Vista	The Internext Group	Pacific Homes (Fredericka Manor)	\$21,687,500.00
Descanso (Unincorporated)	Phoenix Houses of California	Phoenix Houses of California, Inc.	\$1,224,000.00

## 501(c)(3) Nonprofit

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
El Cajon	Fred Finch Youth Center	San Diego Facility	\$905,266.67
El Cajon	The ARC of San Diego	The ARC of San Diego	\$629,955.35
El Cajon	Volunteers of America	Hawley Community Care	\$665,226.78
El Cajon	Volunteers of America	Carlton G. Luhman Center	\$650,107.99
Escondido	Escondido Charter High School	Escondido Charter High School	\$8,600,000.00
Escondido	Mountain Shadows Community Homes	Mountain Shadows Comm. Homes	\$549,362.16
Escondido	North County Serenity House, Inc.	North County Serenity House	\$5,795,000.00
La Jolla (Unincorporated)	Pacific Homes	Casa de Manana	\$7,657,341.96
La Jolla (Unincorporated)	Pacific Homes	La Jolla Convalescent Hospital	\$1,159,225.24
La Jolla (Unincorporated)	Salk Institute for Biological Studies Southern California Presbyterian Homes	Salk Institute for Biological Studies	\$25,135,000.00
La Jolla (Unincorporated)	The Gillispie School	White Sands	\$31,092,500.00
La Jolla (Unincorporated)	The Gillispie School	The Gillispie School	\$5,600,000.00
La Jolla (Unincorporated)	The Internext Group	Pacific Homes (Casa de Mañana)	\$17,000,000.00
La Jolla (Unincorporated)	The Salk Institute for Biological Studies	The Salk Institute for Biological Studies	\$33,000,000.00
Lemon Grove	The ARC of San Diego	The ARC of San Diego	\$125,991.07
Lemon Grove	The ARC of San Diego	The ARC of San Diego	\$125,991.07
Poway	Retirement Housing Foundation	Retirement Housing Foundation	\$4,654,572.60
San Diego	Catholic Secondary Education	Cathedral High School	\$29,600,000.00
San Diego	Institute for Defense Analyses	Institute for Defense Analysis	\$4,525,000.00
San Diego	Institute for Defense Analyses	Institute for Defense Analysis	\$4,015,000.00
San Diego	Kaiser Permanente	San Diego Medical Center	\$17,450,000.00
San Diego	Kaiser Permanente	San Diego Medical Center	\$12,532,941.18
San Diego	Pacific Homes	Wesley Palms	\$9,276,468.77
San Diego	Rady Children's Hospital	Rady Children's Hospital	\$192,370,000.00
San Diego	Rady Children's Hospital	Rady Children	\$125,000,000.00
San Diego	San Diego Space and Science Foundation	Reuben H. Fleet Space Theater and Science Center	\$6,500,000.00
San Diego	San Diego State University Foundation	San Diego State University Foundation	\$9,875,000.00
San Diego	San Diego State University Foundation	San Diego State University Foundation	\$8,500,000.00
San Diego	San Diego State University Foundation	San Diego State University Foundation	\$8,225,000.00
San Diego	San Diego State University Foundation	San Diego State University Foundation	\$7,850,000.00
San Diego	Sharp Healthcare	Sharp Healthcare	\$23,000,000.00
San Diego	St. Vincent DePaul Village (S.V.D.P.)	New Teen Center	\$1,647,802.32
San Diego	St. Vincent DePaul Village (S.V.D.P.)	St. Vincent de Paul (S.H.A.R.E)	\$1,095,504.44
San Diego	St. Vincent DePaul Village (S.V.D.P.)	Corporate Headquarters	\$852,311.55
San Diego	St. Vincent DePaul Village (S.V.D.P.)	Thrift Store	\$738,670.01
San Diego	St. Vincent DePaul Village (S.V.D.P.)	Warehouse	\$734,124.35
San Diego	St. Vincent DePaul Village (S.V.D.P.)	Affordable Housing/Offices	\$710,259.62
San Diego	St. Vincent DePaul Village (S.V.D.P.)	Joan Kroc Center and Bishop Maher Center	\$568,207.70
San Diego	St. Vincent DePaul Village (S.V.D.P.)	Seasonal Shelter/Job Center	\$568,207.70
San Diego	St. Vincent DePaul Village (S.V.D.P.)	Parking Lot and Park/Playground	\$312,514.23
San Diego	St. Vincent DePaul Village (S.V.D.P.)	Maintenance Center	\$132,392.39
San Diego	St. Vincent DePaul Village (S.V.D.P.)	Homes and offices	\$125,005.69
San Diego	State-Wide Easy Equipment Program (SWEEP)	Sharp HealthCare	\$137,500,000.00
San Diego	State-Wide Easy Equipment Program (SWEEP)	State-Wide Easy Equipment Program (SWEEP)	\$12,500,000.00
San Diego	The ARC of San Diego	The ARC of San Diego	\$2,748,896.06
San Diego	The ARC of San Diego	The ARC of San Diego	\$332,616.42
San Diego	The ARC of San Diego	The ARC of San Diego	\$332,616.42
San Diego	The ARC of San Diego	The ARC of San Diego	\$326,431.41
San Diego	The ARC of San Diego	The ARC of San Diego	\$326,431.41
San Diego	The ARC of San Diego	The ARC of San Diego	\$286,343.34
San Diego	The ARC of San Diego	The ARC of San Diego	\$171,176.05
San Diego	The ARC of San Diego	The ARC of San Diego	\$171,176.05
San Diego	The ARC of San Diego	The ARC of San Diego	\$125,991.07
San Diego	The ARC of San Diego	The ARC of San Diego	\$125,991.07
San Diego	The ARC of San Diego	The ARC of San Diego	\$97,356.74
San Diego	The Institute for Effective Education	The Institute for Effective Education	\$3,700,000.00
San Diego	The Internext Group	Pacific Homes (Wesley Palms)	\$21,687,500.00
San Diego	Thomas Jefferson School of Law	Thomas Jefferson School of Law	\$15,750,000.00
San Diego	Thomas Jefferson School of Law	Courtyard Building	\$7,000,000.00
San Diego	Thomas Jefferson School of Law	Law School Building	\$7,000,000.00
San Diego	Thomas Jefferson School of Law	Office Building	\$7,000,000.00
San Diego	Thomas Jefferson School of Law	Office Building	\$7,000,000.00
San Diego	University of San Diego	School of Leadership and Education Sciences	\$23,353,750.00
San Diego	University of San Diego	Student Housing- Alcala Vista Appartments	\$23,353,750.00
San Diego	University of San Diego	Student Housing- Mission Appartments	\$23,353,750.00
San Diego	University of San Diego	University Student Center expansion and renovation	\$23,353,750.00

501(c)(3) Nonprofit

Project Location	Borrower	Facility Name/ Purpose	Bond Amount
San Diego	Villa View Community Hospital	Villa View Community Hospital	\$15,000,000.00
San Marcos	Mountain Shadows Community Homes	Mountain Shadows Community Homes	\$8,132,175.69
San Marcos	Mountain Shadows Community Homes	Mountain Shadows Community Homes	\$549,362.16
Santee	The ARC of San Diego	The ARC of San Diego	\$125,991.07
Santee	The ARC of San Diego	The ARC of San Diego	\$103,083.60
Spring Valley (Unincorporated)	Covenant Retirement Communities	Mount Miguel Covenant Village	\$16,229,333.33
Spring Valley (Unincorporated)	Covenant Retirement Communities	Mount Miguel Covenant Village	\$9,733,300.40
Spring Valley (Unincorporated)	Volunteers of America	Troy Community Center	\$1,610,151.19
Vista	The ARC of San Diego	The ARC of San Diego	\$801,761.35
<b>Total 501(c)(3) Nonprofit</b>			<b>\$1,163,496,587.86</b>



2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

## MEMORANDUM

February 8, 2008

To: Senate Local Government Committee Members and Other Interested Parties  
From: California Municipal Finance  
Re: Informational Hearing on Conduit Financing

---

The following responses reflect the comments of only the California Municipal Finance Authority (the "CMFA") and we thank you for your careful consideration of our remarks. The CMFA looks forward to coordinating with the Senate Office of Research (the "SOR") and the California Senate Local Government Committee (the "Committee") in connection with its review of Joint Power Authorities ("JPAs") in the State of California. We welcome any further inquiries from the SOR and the Committee. If more convenient, the CMFA would be willing to meet with Staff of the SOR and the Committee to address any questions concerning JPAs or the CMFA.

1. *Does increased competition in the conduit bond issuance market affect the "public benefit" that is promoted by extending tax-exempt financing to private entities?*

The public benefits associated with any tax-exempt financing are the result of the project being financed by the borrower whether it is affordable housing, pollution control, manufacturing or 501(c)(3) activities. The CMFA is there to facilitate these transactions and the associated public benefits. The CMFA provides additional public benefits through a fee sharing agreement with its JPA members as noted in the SOR Memorandum.

Since the inception of the CMFA, borrowers in the State of California have more choices in conduit issuers of tax-exempt bonds, the issuance fees associated with a financing have been reduced and municipal entities are now receiving revenues from completed tax-exempt financings where in the past all revenues of a conduit JPA were captured solely by such JPA. The CMFA believe that having a choice of issuers increases the likelihood that a project will be financed and the likelihood that such associated public benefits will be realized.

2. *What factors are responsible for the relatively strong growth in the volume of conduit bonds issued by JPAs when compared to state authorities?*

The CMFA's growth relating to the number of transactions completed can be traced to the following factors:

A. Borrowers' Ongoing Relationships with Local Municipalities.

In general, certain borrowers enjoy a continuing relationship with the city or county where the project is or will be located. In situations like affordable housing and manufacturing, it is common for the local municipality to provide some form of economic assistance, including equity contributions or tax abatements, to ensure that the project will be completed and the associated public benefits realized. These local jurisdictions are involved with the permitting, zoning, CEQA and other regulatory requirements of the project being financed. Undertaking the financing through the CMFA is a natural progression that a City Council or Board of Supervisors desire to undertake when looking to complete projects locally.

## B. Revenue Sharing with Local Government and Local Charities.

The CMFA's policy to share its issuance fee charged to private developers with participating local governments and local charities have also contributed to the number of financings completed by the CMFA. As noted in the SOR's Memorandum, the CMFA shares 25% of its issuance fees with the local government conducting the public hearing under the Tax and Equity Fiscal Act ("TEFRA") and an additional 25% of such issuance fee to local charities situated within the jurisdiction of such local government. The borrowers to the CMFA's programs value the importance of contributing back to the local community. The CMFA's approach to sharing is distinct from every other conduit JPA providing bond issuance services.

## C. Reduced Issuance Costs.

Reduced costs of issuance when financing through the CMFA is an additional factor that accounts for the CMFA's growth in the number of transactions completed. Over the years, borrowers have increased their levels of transaction sophistication and cost sensitivity with respect to tax-exempt financing projects. The borrower/developer communities perceive the CMFA as being both a low cost issuer and a responsive agency to local government and borrowers. Just as important, the CMFA's reduced fee structure prompted other JPAs to reduce issuance fees, benefiting all borrowers within the State of California.

3. *In what ways does the JPAs' growing share of conduit financing offer advantages or disadvantages for local borrowers and the public benefit projects they finance?*

The CMFA believes that associated public benefits will be realized regardless of the conduit issuer utilized by the borrower. However, the CMFA believes that its borrowers produce further public benefits to local communities as a direct result of the revenue sharing policy of the CMFA. As mentioned above and in the SOR Memorandum, the CMFA shares its revenues with local government unlike any other JPA issuing authority in the State of California.

Borrowers in the State of California realize advantages when provided a choice of conduit issuers and would only suffer if such choices were diminished. These advantages include the ability to "cast a vote" for the best fit with respect to a conduit issuer. The best fit includes pricing, expertise and availability to execute for the borrower. The CMFA believes that it offers its borrowers the ability to coordinate the financing of a project with the city/county that is intimately involved in the project. This truly connects the tax-exempt financing with the actual project itself.

4. *Why do different conduit financing authorities charge different fees?*

The CMFA charges the lowest rates possible in order to ensure that a project can be financed to realize the maximum associated public benefits, including revenue sharing with local governments.

5. *How do different conduit financing authorities spend fee revenues? Should fee revenues be spent on charitable activities? Marketing efforts? Programs to benefit local businesses?*

Contrary to the statements of one JPA, all conduit issuing JPAs produce revenues as a result of their activities. CMFA's revenues are shared with local governments and local charities, the remainder are spent in accordance with our JPA Agreement and other public documents of the CMFA. Full details of our expenditures are as provided in our publicly

disclosed financial statements distributed to the State Controller's Office and each JPA member, all as required under Section 6505 of the California Government Code.

6. *Does the statutory requirement that fees be disclosed to the California Debt and Investment Advisory Commission provide sufficient transparency to ensure that fees comply with state law?*

CMFA's fees are publicly available on our website at [www.cmfa-ca.com](http://www.cmfa-ca.com), as well as fully disclosed to CDIAC at closing on each transaction through certain filings by bond counsel. However, the CMFA believes that such public disclosure to CDIAC alone is not sufficient. The CMFA believes that all JPAs organized under Section 6500 (and following) of the California Government Code must be compelled to adhere to the financial reporting requirements of Section 6505 of the Government Code. The CMFA believes that the Office of the Controller must enforce the preparation, filing and disclosing to its members of a JPA's financial statements describing the activities of such JPA. There can be no exceptions to this requirement. Equally as important, the CMFA believes that if a conduit JPA publishes and charges a fee for its issuing activities, such JPA produces revenues for such activities regardless of its monetary collection practices.

7. *Are financial reporting requirements uniformly enforced for all bond issuing authorities?*

The CMFA believes that all JPAs must be compelled to comply with the financial reporting requirements of Government Code Section 6505 to ensure complete transparency of activities and revenue usage. The CMFA's most recent audited financials are attached for your consideration. (Please see Exhibit A).

Under Government Code Section 6505, there are no provisions providing an exception to this reporting requirement. **The CMFA believes that in today's market turmoil and uncertainty, no government agency including JPAs that undertakes the financing of projects through the issuance of debt should be afforded the power and ability to shield from the public its financial statements and financial activities.** To permit such veil of secrecy allows the opportunity for fraud and deceit on the general public. The CMFA encourages specific negative consequences, including the suspension of all debt issuing authority, eligibility to received allocations of volume cap from the California Debt Limit Allocation Committee and financial penalties for any JPAs out of compliance with Section 6505 of the Government Code.

8. *Do current JPA reporting requirements provide sufficient transparency for understanding the activities of bond-issuing authorities?*

Absolutely yes. The JPA requirements under the Ralph M. Brown Act, federal TEFRA requirements and the financial reporting requirements under Government Code Section 6505 provide sufficient transparency when they are enforced and adhered to without exception.

The CMFA believes that financial reports prepared in accordance with GASB provide sufficient standardization and transparency with regards to activities of bond-issuing authorities. If additional clarification is needed, the public has also the ability to request information under the State's open records statutes.

9. *Should financial reporting requirements for state and JPA conduit bond issuers be more standardized?*

The existing reporting requirements reflect the difference between state and local governments. The current reporting requirements, when enforced, provide sufficient transparency into the activities of JPAs.

It should be noted the financial reports of JPAs provide more information than financial reports available for many agencies of the STO.

10. *Do the Brown Act's provisions, which allow JPAs to convene special meetings with as little as 24-hours of advance public notice, provide sufficient transparency and opportunity for public involvement in the conduit financing decisions made by JPAs?*

The CMFA adheres to the requirements under the Ralph M. Brown Act; such requirements apply to all JPAs, as well as all cities and counties. If this notice period is deemed sufficient for cities and counties, it stands to reason that it is adequate for JPAs serving such cities and counties.

In addition, since JPAs require two levels of approval, one at the JPA Issuer level and one at the local city/county, there are at least three opportunities for the public to give input on the transaction. Two opportunities at the JPA issuer level with the Initial Resolution and Final Resolution and another opportunity at the city/county level with the TEFRA hearing. Under Federal Statutes the TEFRA notice must be published at least 14 days prior to the public hearing being held.

With STO agencies, there is less opportunities for the public to provide input on the project since the TEFRA hearing is often held immediately prior to meeting approving the Final Resolution in Sacramento.

11. *Should the Internet posting requirements that apply to state conduit bond authorities also apply to JPAs that issue conduit bonds?*

The CMFA does not see any problem with requiring JPAs to post their agendas on the Internet under the time frames outlined in the Ralph M. Brown Act.

12. *Do public hearings required under the federal Tax Equity and Fiscal Responsibility Act (TEFRA) provide sufficient transparency and opportunity for public participation in conduit bond issuance?*

Federal TEFRA publication and hearing requirements apply equally to all conduit bond issuers, whether an agency of the STO or JPA. Due to the fact that TEFRA hearings for STO agencies are held in Sacramento, and away from where the project is located, the CMFA believes that this approach does not provide sufficient opportunities for local government or local public participation in the STO process. Since JPA transactions require the TEFRA hearing to be held by the city or county where the project is located, the CMFA believes that there is much more transparency and opportunities for public participation.



13. *Do differences between the public meeting requirements that apply to state authorities and JPAs give some conduit bond issuers a competitive advantage in providing conduit financing services?*

At a minimum, the CMFA approval process requires at least 16 days of total public notice (and in certain instances more than 16 days) compared to the minimum of 20 days for the agencies of the STO. The takeaway, the approval process for agencies of the STO requires only two meetings in Sacramento compared to three meetings for the CMFA. Of the three meetings, one meeting addresses the TEFRA hearing requirement conducted by the city or county where the project is located. The STO process generally can be completed with fewer meetings than the CMFA's process. The STO process can also be completed without city/county local support, as opposed to the CMFA process that requires the participation of local government and the cultivation of local government support providing a clear advantage to the STO process.

The CMFA believes that the SOR and the Committee should consider whether there is adequate local input oversight with regards to projects financed through the agencies of the STO. At a minimum, STO agencies should be required to have the local city/county where the project is located conduct a TEFRA hearing to ensure (a) local government approval of the financing and project and (b) adequate and convenient opportunity for full public comment on the financing and project. If a city/county is unwilling to hold a public hearing on behalf of a project financed through a STO agency, should such agency be able to circumvent the will of local governments and proceed to finance the project? The CMFA believes that the failure to involve local communities in the financing of a project shield the agencies of the STO from complete public scrutiny.

# CALIFORNIA MUNICIPAL FINANCE AUTHORITY

## FINANCIAL STATEMENTS

JUNE 30, 2007

(AUDITED)



CASHUK, WISEMAN, GOLDBERG,  
BIRNBAUM, & SALEM, LLP  
Telephone (619) 563-0145/283-7137  
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CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
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June 30, 2007

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AUDIT MANAGER

Michael Selamet Kwee, CPA

FIRM ADMINISTRATOR

Todd Menvielle

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
California Municipal Finance Authority

We have audited the accompanying statement of financial position of California Municipal Finance Authority as of June 30, 2007, and the related statement of activities and statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Municipal Finance Authority as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

CASHUK, WISEMAN, GOLDBERG, BIRNBAUM AND SALEM, LLP

San Diego, California  
November 27, 2007

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2007**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents (Note A)	\$ 1,158,192
Accounts Receivable (Notes A & B)	<u>58,914</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 1,217,106</u></b>
---------------------	----------------------------

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued Expenses	\$ 67,344
Refundable Deposits (Note C)	<u>860,978</u>

<b>TOTAL LIABILITIES</b>	928,322
--------------------------	---------

**NET ASSETS**

Unrestricted	<u>288,784</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,217,106</u></b>
---	----------------------------

The accompanying notes are an integral part of these financial statements.



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**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2007

<b>REVENUES</b>	
Annual Fees	\$ 288,639
Application Fees	90,000
Issuance Fees	590,607
Investment Income	<u>14,583</u>
 TOTAL REVENUES	 983,829
 <b>EXPENSES</b>	
Advertising (Note A)	7,329
Member Distributions	201,407
Charitable Contributions (Note D)	156,564
Outside Consultants	469,439
General & Administrative	<u>24,840</u>
 TOTAL EXPENSES	 <u>859,579</u>
 INCREASE IN UNRESTRICTED NET ASSETS	 \$ 124,250
 NET ASSETS - BEGINNING OF YEAR	 <u>164,534</u>
 NET ASSETS - END OF YEAR	 <u>\$ 288,784</u>

The accompanying notes are an integral part of these financial statements.



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**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2007**

	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in unrestricted net assets	\$ 124,250
Adjustments to Reconcile Net Income to Net Cash	
Provided(Used) by Operating Activities:	
Depreciation	
Cash Provided(Used) by Changes in	
Operating Assets and Liabilities:	
Receivables	(58,914)
Prepaid Expenses	1,034
Current Liabilities	463,597
<b>CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	529,967
<b>Cash and Cash Equivalents at Beginning of Year</b>	628,225
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 1,158,192

The accompanying notes are an integral part of these financial statements.



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CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. California Municipal Finance Authority (CMFA) ("the Authority") was organized on August 12, 2004 under the provision of the Joint Exercise of Powers Act of the Government Code of State of California. CMFA is a joint powers authority created to strengthen local community by promoting economic development and charitable activities throughout the state of California. With the goal of giving back to the California communities, the CMFA assists local governments, non-profits and business with the issuance of taxable and tax-exempt financing aimed at improving the standard of living in California. Member of the authority includes towns, cities, counties and special districts within California.

CMFA is committed to promoting economic and social programs in its member communities. CMFA shares 25% of all issuance fees directly with its member communities and donates another 25% to the California Foundation for Stronger Communities for the support of local charities designated by its member communities.

2. Basis of Presentation The authority's financial statements are presented on the accrual basis of accounting. The accounting policies conform to the accounting standard generally accepted in the United States of America.
3. Cash and Cash Equivalents for purposes of reporting cash flows, cash and cash equivalents include cash in checking and savings accounts with banks.
4. Accounts Receivables are primarily issuance fees receivable which are determined to be 100% collectible by management.
5. Revenue Recognition-Fees from the origination of issuance services are recognized when the transactions are closed.
6. Leases that meet the criteria for capitalization are classified as capital leases. As of year end there were no such leases. Leases that do not meet such criteria are classified as operating leases and related rentals are charged to expense as incurred. As of year end there were no such leases.
7. Use of Estimates-The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
11. Concentration of Cash and Credit Risk-The foundation maintains cash balance in one bank in California. Cash balances at this institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of year end, virtually all the cash balance was uninsured.
12. Advertising Costs are expensed in the year incurred. The Company incurred \$7,329 in advertising expenses in the year ended June 30, 2007.





CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

NOTE B-ADVISORY FEES:

The Authority has entered into a professional services agreement with an advisory company on February 25, 2005 to manage the operations of the authority with respects to taxable and tax-exempt financing for corporations, governmental entities and non-for-profit institutions. The authority pays the advisory company a certain percentage of its revenue.

NOTE C-REFUNDABLE DEPOSITS:

The Authority, on behalf of Project Sponsors (Borrowers) who are requesting a Qualified Private Activity Bond Allocations, collects performance deposits for the California Debt Limit Allocation Committee. These deposits are either released to the borrowers when bonds are issued or they are forfeited and sent to the California Debt Limit Allocation Committee for non-performance.

NOTE D – RELATED PARTY TRANSACTIONS:

The Authority allocates 25% of its issuance fees to the California Foundation for Stronger Communities. CMFA and California Foundation for Stronger Communities share common board members. During the year, \$156,564 was distributed to California Foundation for Stronger Communities as donation.

NOTE E-INCOME TAXES:

As an organization created under the provision of the Joint Exercise of Powers Act of the Government Code of State of California, CMFA is not required to file income tax returns.

NOTE E-FAIR VALUES OF FINANCIAL INSTRUMENTS:

Disclosure of fair value information about certain financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value is required by SFAS 107 and SFAS 115. The following methods were used in estimating fair values:

Cash and Cash Equivalents-The carrying amount on the balance sheet approximates its fair value.

Accounts Receivable-The carrying amount on the balance sheet approximates its fair value.

The carrying amounts and fair values of the Company's financial instruments as of June 30, 2007 are as follows:

	<u>CARRYING AMOUNTS</u>	<u>FAIR VALUE</u>
Cash and Cash Equivalents	\$1,158,192	\$1,158,192
Accounts Receivable	58,914	58,914



# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## SUMMARY OF COMMENTS BY PAULA CONNORS, EXECUTIVE DIRECTOR

To

### SENATE LOCAL GOVERNMENT COMMITTEE

February 6, 2008

- The California Enterprise Development Authority (CEDA) was created by and for local governments. The complexities of industrial development bonds are often too extensive for local city staff to handle, so they turn to joint powers authorities (JPAs), which represent the interests of the local jurisdiction.
- JPA's are synonymous with cities and counties and are subject to the same reporting and public hearing requirements as cities and counties. These include
  - State Controller reports,
  - Secretary of State filings,
  - Fair Political Practices Commission filings,
  - Brown Act public notices and public hearing requirements,
  - Public Records Act
- When conduit financing is anticipated, federal law requires a public hearing at the local level (TEFRA hearing). By the time an application to the Treasurer's Office, California Debt Limit Allocation Committee (CDLAC) is made, the local jurisdiction has usually provided all entitlements, completed CEQA review, and held a public hearing in the local jurisdiction. It is CEDA's policy to work closely with the local jurisdiction and participate in every local public hearing on projects proposed for bond financing.
- Current reporting requirements are sufficient. The Government Code has an entire section (Sec. 6500) devoted to regulation of JPAs. If current rules are not observed, there should be appropriate action.
- State law affirms that review and approval of industrial development bond financing should occur at the closest level to the business. Adding layers of regulation or shifting issuing authority to the state with no rational basis, would hurt borrowers and reduce the ultimate public benefits.
- Because major categories of conduit bonds are subject to CDLAC review, the CDLAC could "doublecheck" to confirm that these requirements are being met.
- State law sets forth minimum requirements. However, we can all do more and we would be committed to work with the State Treasurer's Office to advocate "best practices" for transparency. The Senate Office of Research report is a good start.

#### **Comments on the Senate Office of Research Report:**

##### **General/Policy Issues**

The Report is not complete in that it does not include the universe of issuers of conduit bonds. The report omits active local issuers, such as City of Los Angeles, Alameda County, and Riverside County. The report also omits the California Infrastructure Bank (I-Bank), which is a state issuer of substantial volume for nonprofit bonds and industrial development bonds. This would seem to skew the picture and conclusions presented by the report.

The report illustrated that the volume of conduit bond issuance for the state issuers and JPAs is very similar, with the exception of one issuer. If local issuers and the I-Bank are added, the reader would receive a more complete picture of conduit issuance.

It is important to consider the recent Senate Local Government committee report (August 2007)

***Government Working Together: A Citizen's Guide to Joint Powers Agreements.***

Excerpts:

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

“By sharing resources and combining services, the member agencies - and their taxpayers – save time and money.” (Page 7)

“Officials create JPAs to: cut costs, be more efficient, reduce (or eliminate) overlapping services, share resources” (Page 7)

## Questions raised in the Senate Office Research Report:

1. **Where is the money going?** CEDA fee revenue is directed to administrative expenses and to supporting local economic development throughout the State.
2. **How are environmental requirements enforced?** Project CEQA compliance is handled at the local level, and that documentation is provided to CDLAC as part of its comprehensive application and review process. If the project does not have CEQA clearance, it cannot proceed.
3. **Are the savings pass-through and public benefits requirements working?** “Pass through” benefits could take many forms, including reducing up-front fees and/or benefits intrinsic to the project. “Intrinsic” benefits could include jobs, higher wages, health benefits, consumer savings, environmental or energy efficiencies, and other qualitative criteria associated with CDLAC review. CEDA’s Bond Issuance policy states :  
*“As a public entity, CEDA is committed to sharing a percentage of issuance fees with the sponsoring jurisdiction, once CEDA’s annual revenues are sufficient to cover administrative expenses. The CEDA JPA Agreement also allows the Board of Directors to direct excess revenue to services and activities that directly benefit the economic development community.”*
4. **Are all bond issuing authorities equally transparent?** CEDA complies with all reporting requirements. Current requirements are sufficient; if an entity is not complying, then there are consequences in statute and regulations to address that issue. CEDA’s Agendas are posted on the internet. It is no problem to expand that to staff reports, and minutes.
5. **Is there overlap between bond- issuing state entities?** YES. Industrial Development Bonds (IDBs) are the only category of allocation subject to a two-tiered review by for allocation and bond issuance approval. The expertise of most IDB issuers has advanced to the point that the bond issuance review by the California Industrial Development Financing Advisory Commission (CIDFAC) can be eliminated or expeditiously processed in the same way as housing or pollution control projects.

## Technical Comments

- Page 1: **Misstatement:** No public vote is required. **Correction:** Each city or county joins a JPA and adopts a resolution after a noticed public hearing.
- Page 11 CIDFAC. **Misstatement:** “Issues industrial development bonds.” **Correction:** CIDFAC is not an issuer; it reviews and approves issuance of industrial development bonds.
- Page 12: CDLAC. **Misstatement.** “Any agency that issues IDBs” must obtain allocation. **Correction:** Any state or local agency that issues certain types of conduit revenue bonds including single and multifamily housing, exempt facility, and industrial development (except the I-Bank).
- Page 12: What is the noncompete clause?
- Appendix A Page A-A1 Conduit Bonds: What is “CEDFA”?
- Appendix D: What is “application certification”?
- Appendix D: Comparisons of Applications. The CEDA application is considered a pre application and basically is an indication that the project s ready to proceed to collect all information required for issuance. That includes, commonly understood “due diligence” documents.

**1418-S**

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