



**California Home Finance Authority (CHF)
Board of Directors Meeting
Wednesday, November 12, 2014
8:30 a.m.
1215 K Street Suite 1650
Sacramento, CA 95814**

AGENDA

- 1. Call to Order & Determination of Quorum**
*Chair, Supervisor Richard Forster, Amador County
Vice Chair, Supervisor Kevin Cann, Mariposa County*
- 2. Approval of Minutes – September 26, 2014 Board Meeting** **Page 1**
Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise
- 3. Member County Concerns**
- 4. Public Testimony**
Presentation only of any matters of concern to the general public
- 5. Public Hearing: Consideration of the Formation of the California Home Finance Authority (CHF) Community Facilities District No. 2014-1 (Clean Energy) And the Levy of a Special Tax Therein** **Page 7**
*Greg Norton, Executive Director
Craig Ferguson, Vice President*
- 6. Program Updates**
*Greg Norton
Craig Ferguson*
- 7. Adjournment**
Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participant in a public meeting, please call Sarah Bolnik at (916) 447-4806 at least 48 hours before the meeting. Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment, please let staff know if you would like to speak on a specific agenda item.



California Home Finance Authority
1215 K Street, Suite 1650 · Sacramento, California 95814
Phone: (855) 740-8422 · Fax: (916) 444-3551 · www.chfloan.org

**California Home Finance Authority
Board of Directors Meeting
September 26, 2014
11:00 a.m.
The Resort at Squaw Creek
400 Squaw Creek Road
Olympic Valley, CA 96146**

MINUTES

Call to Order & Determination of Quorum

Chair, Supervisor Richard Forster, Amador County, called the meeting to order at 11:07 a.m. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
Mary Rawson	Alpine
Richard Forster	Amador
Doug Teeter	Butte
Merita Callaway	Calaveras
Kim Dolbow Vann	Colusa
John Viegas	Glenn
Linda Arcularius	Inyo
Anthony Farrington	Lake
Aaron Albaugh	Lassen
David Rogers	Madera
Kevin Cann	Mariposa
Carre Brown	Mendocino
Geri Byrne	Modoc
Tim Fesko	Mono
Diane Dillon	Napa
Nate Beason	Nevada
Terry Swofford	Plumas
Jerry Muenzer	San Benito
Lee Adams	Sierra
Larry Munger	Sutter
Bob Williams	Tehama
Debra Chapman	Trinity
Randy Hanvelt	Tuolumne
Jim Provenza	Yolo
Roger Abe	Yuba

Absent

Brian Veerkamp	El Dorado
David Finigan	Del Norte
Rex Bohn	Humboldt
Michael Kelley	Imperial
John Pedrozo	Merced
Jim Holmes	Placer
Les Baugh	Shasta
Michael Kobseff	Siskiyou

Others in Attendance

Supervisor Brian Oneto, Amador County
Supervisor Allen Ishida, Tulare County
Supervisor Kevin Goss, Plumas County
Arthur Wylene, Tehama County Counsel
Ed Horton, Placer County Water Agency
Thane Young, Van Scoyoc & Associates
Steve Palmer, Van Scoyoc & Associates
Crystal Crawford, Ygrene Energy Fund
Mike Lemyre, Ygrene Energy Fund
Wanda Ishida
Sarah Bolnik, RCRC Office Manager
Justin Caporusso, RCRC Public Affairs Specialist
Paul A. Smith, RCRC Senior Legislative Advocate
Kathy Mannion, RCRC Legislative Advocate
Staci Heaton, RCRC Regulatory Affairs Advocate
Mary Pitto, RCRC Regulatory Affairs Advocate
Cyndi Hillery, RCRC Legislative Advocate
Santinia Pasquini, RCRC Legislative Analyst

Staff in Attendance

Greg Norton, Executive Director
Patricia Megason, Deputy Director
Craig Ferguson, Vice President

Approval of Minutes – August 13, 2014 Board Meeting

Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise

Supervisor Carre Brown, Mendocino County, motioned to approve the minutes of the August 13, 2014 CHF Board of Directors Meeting. Supervisor Kim Dolbow Vann, Colusa County, seconded the motion. Motion unanimously passed.

Abstaining:

Linda Arcularius, Inyo County; Supervisor Anthony Farrington, Lake County; Supervisor Kevin Cann, Mariposa County; Supervisor Diane Dillon, Napa County; Supervisor Terry Swofford, Plumas County;

Supervisor Jerry Muenzer, San Benito County; Supervisor Debra Chapman, Trinity County; Supervisor Jim Provenza, Yolo County

Member County Concerns

None

Public Testimony

None

Resolution 14-04: Declaring CHF's Intention to Establish the California Home Finance Authority ("CHF") Community Facilities District N0. 2014-1 (Clean Energy) and to Levy Special Taxes Therein to Finance or Refinance the Acquisition, Installation, and Improvement of Energy Efficiency, Water Conservation, and Renewable Energy Improvements Permanently Affixed to or on Real Property or in Buildings

Resolution 14-05: Declaring CHF's Intention to Finance Distributed Generation Renewable Energy Sources and Energy Efficiency Improvements Through the use of Voluntary Contractual Assessments Pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and Setting a Public Hearing Thereon

Greg Norton, Executive Director informed the CHF Board of Directors of two state laws: AB 811 and SB 555 that enable cities, counties, and joint powers authorities like CHF to set up property supported financing programs. With such programs in place, property owners may obtain financing for the acquisition, installation and improvement of energy efficiency, water conservation and renewable energy improvements to or on their real property. Mr. Norton explained that this type of program is often referred to as "Property Assessed Clean Energy" (PACE) financing.

Mr. Norton reviewed Resolution 14-04 (SB 555 Community Facilities Districts) and Resolution 14-05 (AB 811 Contractual Assessment Program). These Resolutions would authorize CHF to move forward with the flexibility to implement either or both programs. Mr. Norton explained that these Resolutions signal the intent of the CHF Board to complete the formation proceedings but not an obligation to do so. They are a first step to notify the public and various interested parties of a full hearing on the matters in the Resolutions.

Mr. Norton shared and explained a few specific amendments that were necessary to the Resolutions included in the board packet. Those specific amendments were:

- Resolution 14-04, Section 11 – change the public hearing date from December 10 to November 12, 2014.
- Resolution 14-05, Section 7 (c) – add the word "not" between "shall" and "be".
- Resolution 14-05, Section 8 – change "Board of Directors" to "Secretary".
- There were also a couple of minor, non-content, typographical corrections.

Staff Recommendation

Staff recommends that the CHF Board of Directors approve the following:

- 1. Review and adopt Resolution 14-04 as the Resolution of Intent to create a Community Facilities District (SB 555), setting of a public hearing and approve all other items included in the resolution;**
- 2. Review and adopt Resolution 14-05 as the Resolution of Intent to create a Contractual Assessment Program (AB 811), setting of a public hearing and approve all other items included in the resolution; and**
- 3. Authorize CHF management to take the actions necessary for the public hearing and to establish the program(s) including the signing of necessary agreements and other documents to establish the district initiate the program(s) and establish the program administration.**

Supervisor Kim Dolbow Vann, Colusa County, motioned to approve staff recommendations and amendments as presented. Supervisor Debra Chapman, Trinity County, seconded the motion. Motion unanimously passed.

Resolution 14-06: Authorizing Application to the California Debt Limit Allocation Committee to Permit the Issuance of Qualified Mortgage Bonds and/or Mortgage Credit Certificates for up to \$200.0 Million in Mortgage Credit Certificate Tax Exempt Allocation Authority

Craig Ferguson, Vice President, reported on Resolution 14-06 which allows CHF to make an application(s) to the California Debt Limit Allocation Committee (CDLAC), and in turn fund the CDLAC required deposit required. This will allow CHF to continue sponsoring its Mortgage Credit Certificate Program (MCC) in 2015 and beyond. Mr. Ferguson also presented and explained an amendment to the Resolution. The specific amendments were:

- Resolution 14-06, Item 2 – Remove the word “each” from between “of” and “allocation”
- Resolution 14-06, Item 2 – Remove the words “per authorization” from the parenthesis that includes the prior words “not to exceed \$100,000”.
- There were also a couple of minor, non-content, typographical corrections.

Staff Recommendation

Staff recommends approval of Resolution No. 14-06 with recommended amendments.

Supervisor Debra Chapman, Trinity County, motioned to approve staff recommendations and amendment as presented. Supervisor Kim Dolbow Vann, Colusa County, seconded the motion. Motion unanimously passed.

Program Updates

Greg Norton provided an update on the existing Housing and Energy Retrofit Programs.

Adjournment

Supervisor Richard Forster, Amador County, adjourned the meeting of the CHF Board of Directors at 11:18 a.m.



To: CHF Board of Directors
From: Greg Norton, Executive Director
Craig Ferguson, Vice President
Date: November 4, 2014
Re: **Public Hearing:** Consideration of the Formation of the California Home Finance Authority Community Facilities District No. 2014-1 (Clean Energy) and the Levy of a Special Tax Therein

Summary

At the California Home Finance Authority (CHF) Board Meeting of September 26, 2014, the Board of Directors approved Resolution 2014-04, the Resolution of Intent to form a community facilities district (District). The purpose of the District is to levy a special tax to finance energy efficiency, water conservation, and renewable energy improvements affixed to or on residential, commercial, or industrial property.

It is important to note that for a property to be annexed to the District and be levied with the special tax, the legislative body in which the property is located (the County Board of Supervisors for unincorporated areas or the City Council for incorporated cities) must have adopted a resolution consenting to the annexation of such properties and, further, all owners of the property must approve the request for annexation and agree to pay the special tax.

The Notice of Public Hearing is attached and has been published and posted as required. Pursuant to the requirements of the law, there are numerous documents and reports that must be prepared and available for review when the public hearing is conducted. Given the complexity of the documentation, additional time is needed for the preparation of these documents. However, as the public hearing was noticed to be held on November 12, 2014, the Board must open the public hearing, receive any testimony or comments from the public, and then continue the public hearing to December 10, 2014 at 8:30 a.m. at 1215 K Street, Suite 1650, which is the date, time and location of the next CHF Board Meeting.

Staff Recommendation

Staff recommends that the CHF Board of Directors open the public hearing as noticed, receive any testimony or comments from the public, and then continue the public hearing to December 10, 2014 at 8:30 a.m.

Attachment(s)

Notice of Public Hearing

NOTICE OF PUBLIC HEARING

Regarding the Formation of California Home Finance Authority
Community Facilities District No. 2014-1 (Clean Energy)
And the Levy of a Special Tax Therein

WEDNESDAY, NOVEMBER 12, 2014

8:30 a.m.

1215 K Street, Suite 1650
Sacramento, CA 95814

NOTICE IS HEREBY GIVEN that on September 26, 2014, the Board of Directors of the California Home Finance Authority ("CHF") adopted Resolution No. 2014-04, (the "**Resolution**") scheduling a public hearing to consider the establishment of a community facilities district, the designation of authorized improvements, and all other matters set forth in that resolution. The district will be established in accordance with section 53328.1 of the Mello-Roos Community Facilities Act of 1982 (Government Code section 53311 et seq.), as amended (the "**Act**"), to be known as "the California Home Finance Authority (CHF) Community Facilities District No. 2014-1 (Clean Energy) (the "**District**"). A public hearing will be held by the Board at 8:30 a.m. on Wednesday, November 12, 2014, in the regular meeting place of the Board of CHF, 1215 K Street, Suite 1650, Sacramento, California 95814, or as soon thereafter as the Board may reach the matter. In addition, it is expected that the Board will continue the public hearing to 8:30 a.m. on Wednesday, December 10, 2014, at 1215 K Street, Suite 1650, Sacramento, California 95814.

The purpose of the District is to levy a special tax to finance or refinance (including by lease or power purchase agreement) the acquisition, construction, and installation of energy efficiency, water conservation, and renewable energy improvements affixed to or on residential, commercial, or industrial property. Importantly, the only way any property could be annexed to the District and levied with the special tax is if (1) if the property is located in the unincorporated territory of a County, the legislative body of the County has adopted a resolution consenting to the annexation of properties within the unincorporated territory of the County to the District; (2) if the property is located in the incorporated territory of a City, the legislative body of the City has adopted a resolution consenting to the annexation of properties within the incorporated territory of the City to the District; (3) all of the owners of the property sign a "Unanimous Approval Agreement" requesting annexation and agreeing to pay the special tax (the "**Agreement**"); and (4) CHF approves the Agreement and allows the annexation to occur. In other words, CHF will have no authority to annex a property to the District or levy the District's special tax on a property unless all owners of that property approve. The special tax for each annexed property will pay only for the specific, agreed-upon improvements.

The territory proposed for annexation to the District includes (1) any unincorporated land within those counties that are now or in the future either full members or associate members of CHF and consent to the annexation of properties within their jurisdiction to the District and (2) any incorporated land within those cities that are now or in the future either full members or

associate members of CHF and consent to the annexation of properties within their jurisdictions to the District.

This Notice briefly summarizes the Resolution. You should read the Resolution itself for the definitive description of the District's financing program, including a description of the costs and the improvements that are authorized for this method of financing. The Resolution can be found at http://www.chfloan.org/chf/2014_resolutions/Resolution_14_04.pdf. A copy of Resolution No. 2014-04 also may be reviewed or obtained at the office of the Secretary of CHF, 1215 K Street, Suite 1650, Sacramento, California.

As provided in the Act, the Board must hold a public hearing before the Board may establish the District and designate the territory that may be annexed to it. **This is the notice of the public hearing.**

At the public hearing, any persons interested, including all taxpayers, property owners, and registered voters, may appear and be heard, and the oral or written testimony of all interested persons or taxpayers for or against any of the following will be heard and considered: (1) the establishment of the District and the authorization to levy the special tax and incur debt (as defined in the Act), (2) the extent of the territory proposed for annexation to the District in the future, (3) the acquisition or construction of any of the proposed improvements, or (4) any other matters contained in the Resolution.

Any protests to the proposal may be made orally or in writing by any interested persons, except that any protests pertaining to the regularity or sufficiency of the proceedings must be in writing and must clearly set forth the irregularities and defects to which objection is made. The Board may waive any irregularities in the form or content of any written protest and, at the public hearing, may correct minor defects in the proceedings. All written protests not presented in person at the public hearing must be filed with the Secretary of the Board at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Written protests by a majority of the registered voters residing and registered within the boundaries of the territory proposed for annexation to the District will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the proposal, then only those elements need be excluded from the proceedings.

The CHF Executive Director or such officer's designee (the "**Executive Director**") has studied the proposed District and will provide, at or before the time of the public hearing, a report describing the following: the authorized improvements; the incidental, financing, and administrative costs of the District; the methods of financing available; the form of the proposed Unanimous Approval Agreement; recommendations for appropriate procedures and criteria for processing and evaluating applications for participation in, and annexation to, the District from the owners of property within the territory proposed for annexation in the future; and an estimate of the related incidental expenses—all in accordance with the Resolution. The report will be available for inspection by the public and will become a part of the record of the public hearing. Questions should be directed to Greg Norton, Executive Director, CHF, whose telephone number is (916) 447-4806.

DATED: 10/30, 2014

/s/ 
Secretary
California Home Finance Authority ("CHF")

