



Agenda Item A.6
CONSENT CALENDAR
Meeting Date: September 3, 2024

TO: Mayor and Councilmembers

SUBMITTED BY: Luke Rioux, Finance Director

SUBJECT: Formation of Goleta Facilities Financing Authority; Adoption of Resolution Approving Joint Exercise of Powers Agreement to Issue Future Tax-Exempt Obligations

RECOMMENDATION:

Adopt Resolution No. 24-__ entitled, "A Resolution of the City Council of the City of Goleta, California, Authorizing the Execution and Delivery of a Joint Exercise of Powers Agreement By and Between the City and the California Statewide Communities Development Authority and Other Matters Related Thereto."

BACKGROUND:

The City of Goleta (the "**City**") has benefited from the assistance of the Goleta Financing Authority with respect to various capital improvement projects initiated by the City. The Goleta Financing Authority (the "**Prior JPA**") was formed under that Joint Exercise of Powers Agreement, dated May 1, 2007, by and between the City and the City of Goleta Redevelopment Agency (the "**Agency**"). As one consequence of the dissolution of the Agency, the ability of the Prior JPA to assist the City has been substantially diminished. As a result, the City has considered alternate agencies to assist with its financing needs and/or the formation of another joint powers authority by agreement with another public agency.

DISCUSSION:

The City has significant public works projects, including the Cathedral Oaks Crib Wall Repair Project and the San Jose Creek Path – Northern and Southern Segments Project, for which indebtedness may be considered by this Council for approval, the issuance of which will require a financing counterparty. Staff has determined that a joint powers authority, similar to the Prior JPA, would be the most useful entity. In order to form the joint powers authority, the City must identify an eligible public entity to be the counterparty to a joint exercise of powers agreement.

The California Statewide Communities Development Authority (“**CSCDA**”) has been identified as a suitable counterparty to a new joint exercise of powers agreement for the formation of a new joint powers authority pursuant to the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6500) of the California Government Code (the “**JPA Act**”) for the purposes of assisting the City with its capital improvement projects and other authorized financings, as the Prior JPA has done in the past.

CSCDA was formed under the JPA Act, pursuant to a 1988 joint exercise of powers agreement between a number of California cities, counties, and special districts, with additional cities, counties, and special districts, including the City, joining as members over time.

The City, acting pursuant to JPA Act, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Government Code Section 6588, certain additional powers, including the issuance of revenue bonds to cause the execution and delivery of certificates of participation.

The City and CSCDA desire to create and establish the Goleta Facilities Financing Authority (the “**GFFA**”), and there has been presented to the City Council at this meeting a proposed form of Joint Exercise of Powers Agreement (the “**Agreement**”), by and between the City and CSCDA, which Agreement creates and establishes the powers of the GFFA.

Under California law and the Agreement, the GFFA will be a public entity separate and apart from the parties to the Agreement, and the debts, liabilities, and obligations of the GFFA will not be the debts, liabilities or obligations of the City or any representative of the City serving on the governing body of the GFFA or of the CSCDA or any of its members.

Like the Prior JPA, the governing board of the GFFA will consist of the members of the City Council. The administration and operation of the GFFA will be provided by City staff. Initially, CSCDA will be the only other member of the GFFA.

CSCDA has previously entered into similar joint powers agreements to assist the San Bruno Park School District, Cameron Park Community Services District, San Dieguito Union High School District, Alameda County Flood Control and Water Conservation District, Zone 7, City of Orange, City of Martinez, West County Wastewater District, City of Dublin, Mountain House Community Services District, El Toro Water District, City of St. Helena, City of Laguna Beach, City of Santa Barbara, Hidden Lakes CSD, and Laguna Beach County Water District for similar purposes.

This Agreement provides for the formation of the GFFA with power, as described therein, to issue bonds and to purchase bonds issued by, or to make loans to, the City for the financing and refinancing of public capital improvements, working capital, liability, and other insurance needs, or projects whenever there are significant public benefits, as determined by the City. For the Agreement to be approved, the City must authorize such approval through a resolution. A proposed resolution approving the "Joint Exercise of Powers Agreement by and between the City of Goleta and the California Statewide Communities Development Authority" and the execution and delivery thereof by the Mayor Pro-Tempore, the City Manager, or the Finance Director of the City, and related actions, is included as Attachment 1. A copy of the Agreement is included as Attachment 2.

Update and Next Steps

The financing team is finalizing the recommended options and strategies, including two issuances requiring the City to establish a financing authority. The two types of possible issuances being recommended are considered to be the most cost-effective approach for the City and will include:

- 1) Local Transportation Sales Tax Revenue Bonds, which will be supported by a portion of the City's annual allocation of Measure A.
- 2) Lease Revenue Bonds, which will be supported by the General Fund and secured by a city asset.

Further details on these two debt issuances, including the financing structure, estimated payments, timing, and fiscal impacts, will be discussed first with the Finance Committee and then at future City Council meetings.

GOLETA STRATEGIC PLAN:

City-Wide Strategy 3: Ensure Financial Stability

- **Strategic Goal 3.2:** Enhance revenue by seeking grants and implementing financing strategies that strengthen the City's Budget
 - **Objective 3.2.1:** Evaluate debt financing options and secure financing for large infrastructure projects with long useful lives to achieve intergenerational equity.

FINANCE COMMITTEE REVIEW:

The Finance Committee met to review the recommended debt financing strategies, which include forming the GFFA on August 29, 2024.

FISCAL IMPACTS:

Staff is recommending establishing the GFFA as to provide the city with an entity that can issue sales tax and lease revenue bonds for future financing and have local control. This action does not authorize or otherwise bind the City into issuing debt. There is a one-time

fee of \$10,000 payable to CSCDA for its participation in the formation of GFFA, and otherwise, no direct fiscal impact is associated with this item. The \$10,000 will be supported out of the Finance Department's budget. It should be noted that if the City Council moves forward with future debt issuance, the costs could be considered as part of the financing. However, it would result in a larger annual debt service payment over the life of the debt. So, at this time, staff is not recommending including this amount as part of reimbursement of the future recommended debt issuance that will be discussed with City Council at a future meeting.

ALTERNATIVES:

Council could choose not to approve the Agreement. This would require the City to consider other methods and counterparties to assist the City with the issuance of lease revenue bonds, enterprise revenue bonds and sales tax bonds.

LEGAL REVIEW BY: Megan Garibaldi, City Attorney

APPROVED BY: Robert Nisbet, City Manager

ATTACHMENTS:

1. Resolution No. 24-__ entitled, "A Resolution of the City Council of the City of Goleta, California, Authorizing the Execution and Delivery of a Joint Exercise of Powers Agreement By and Between the City and the California Statewide Communities Development Authority and Other Matters Related Thereto."
2. Form of Joint Exercise of Powers Agreement By and Between the City of Goleta and the California Statewide Communities Development Authority

Attachment 1

Resolution No. 24-__ entitled, "A Resolution of the City Council of the City of Goleta, California, Authorizing the Execution and Delivery of a Joint Exercise of Powers Agreement By and Between the City and the California Statewide Communities Development Authority and Other Matters Related Thereto."

RESOLUTION NO. 24-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF A JOINT EXERCISE OF POWERS AGREEMENT BY AND BETWEEN THE CITY AND THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO

WHEREAS, the City of Goleta (the “City”) and the City of Goleta Redevelopment Agency (the “Agency”) have heretofore entered into a Joint Exercise of Powers Agreement, dated as of May 1, 2007 (the “Joint Powers Agreement”), which Joint Powers Agreement creates and establishes the Goleta Financing Authority (the “Authority”);

WHEREAS, as a consequence of the dissolution of the Agency and the eventual impact on the continuity of certain powers of the Authority, the City has considered alternate agencies to assist with its financing needs;

WHEREAS, the City, acting pursuant to the Joint Exercise of Powers Act comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6500) of the California Government Code (the “JPA Act”), may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Government Code § 6588, certain additional powers;

WHEREAS, under the JPA Act, a number of California cities, counties and special districts entered into a joint exercise of powers agreement pursuant to which the California Statewide Communities Development Authority (“CSCDA”) was organized;

WHEREAS, the City is a member of CSCDA in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing of projects therefor by CSCDA;

WHEREAS, the City and CSCDA desire to create and establish the Goleta Facilities Financing Authority (the “GFFA”) pursuant to the JPA Act to assist the City as the Authority has in the past;

WHEREAS, there has been presented to the City Council at its September 3, 2024 meeting a proposed form of Joint Exercise of Powers Agreement (the “Agreement”), by and between the City and CSCDA, which Agreement creates and establishes the GFFA; and

WHEREAS, under California law and the Agreement, the GFFA will be a public entity separate and apart from the parties to the Agreement, and the debts, liabilities, and obligations of the GFFA will not be the debts, liabilities or obligations of the City

or any representative of the City serving on the governing body of the GFFA or of the CSCDA or any of its members.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Goleta that:

SECTION 1. The recitals above are true and correct.

SECTION 2. The form of Agreement, a copy of which is on file with the City Clerk, is approved. The Mayor, the Mayor Pro-Tempore, the City Manager, and the Finance Director of the City (each, an “Authorized Officer”) is each authorized and directed, on behalf of the City, to execute and deliver the Agreement substantially in the approved form, with such changes as the Authorized Officer executing the same may, with the concurrence of the City Attorney, require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The City Council hereby approves the execution and delivery of the Agreement and any and all agreements, documents, certificates and instruments necessary or appropriate to consummate the matters contemplated herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 3rd day of September 2024.

PAULA PEROTTE, MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

MEGAN GARIBALDI
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF GOLETA)

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 24-__ was duly adopted by the City Council of the City of Goleta at a regular meeting held on the 3rd day of September 2024 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

ATTACHMENT 2

Form of Joint Exercise of Powers Agreement By and Between the City of Goleta and the
California Statewide Communities Development Authority

JOINT EXERCISE OF POWERS AGREEMENT

between

CITY OF GOLETA

and

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Dated as of _____ 1, 2024

creating the

GOLETA FACILITIES FINANCING AUTHORITY

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JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT (this “**Agreement**”) is dated as of _____ 1, 2024, and is entered into by and between the CITY OF GOLETA, a municipal corporation duly organized and existing under the constitution and laws of the State of California (the “**City**”), and CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint powers authority that is organized and existing under and by virtue of the laws of the State of California (“**CSCDA**”).

DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the California Government Code (the “**Act**”) authorizes the City and CSCDA to enter into an agreement to create a joint powers authority which has the power to exercise any powers common to the City and CSCDA and to exercise additional powers granted to such entity under the Act, including, without limitation, the power to provide financing for the authority’s members or other local public agencies in the State of California in connection with the acquisition, construction, and improvement of public capital improvements, and working capital, liability, and other insurance needs of such members or other local public agencies.

B. This Agreement creates such an agency, which shall be known as the “Goleta Facilities Financing Authority” (the “**Authority**”), for the purpose of assisting in providing financing for purposes which are authorized under the Act and to exercise the powers described herein.

C. The City is a municipal corporation duly organized and existing under the constitution and laws of the State of California, having those powers granted by the general law of the State of California.

D. CSCDA is authorized to buy, sell, and lease property and to issue bonds, expend bond proceeds, and borrow and loan money for any of its corporate purposes pursuant to the Act and the Amended and Restated Joint Exercise of Powers Agreement forming the California Statewide Communities Development Authority, dated as of June 1, 1988, as amended, by and among the cities, counties, districts, and other political subdivisions that are parties to that agreement.

E. Article 4 of the Act (known as the “Marks-Roos Local Bond Pooling Act of 1985”) authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, the City for the financing and refinancing of public capital improvements, working capital, liability, and other insurance needs, or projects whenever there are significant public benefits, as determined by the City. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale.

TERMS OF AGREEMENT

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

“**Act**” means Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended.

“**Agreement**” means this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

“**Authority**” means the Goleta Facilities Financing Authority created by this Agreement.

“**Board**” means the Board of Directors referred to in Section 4(b) of this Agreement, which is the governing board of the Authority.

“**Brown Act**” means the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereafter enacted.

“**City**” means the City of Goleta, a municipal corporation duly organized and existing under and by virtue of the constitution and laws of the State.

“**City Council**” means the governing board of the City.

“**Commission**” means the governing board of CSCDA.

“**CSCDA**” means California Statewide Communities Development Authority, a joint powers authority established pursuant to a Joint Exercise of Powers Agreement, dated June 1, 1988 and the laws of the State, duly organized and existing under and by virtue of the laws of the State, and its successors.

“**Director**” means a member of the Board.

“**Indenture**” means each indenture, trust agreement, fiscal agent agreement, lease, sublease, loan agreement, or other instrument pursuant to which Obligations are issued or incurred.

“**Member**” or “**Members**” means the members of the Authority as may be modified from time to time in accordance with this Agreement. As of the date of this Agreement, the Members are the City and CSCDA.

“**Member of the Board**” or “**Board Member**” means a Director.

“**Obligations**” means bonds and any other evidence of indebtedness of the Authority authorized and issued pursuant to the Act.

“**Party**” or “**Parties**” means those entities who have executed this Agreement or any amendment to this Agreement and who have not withdrawn from the Authority.

“**State**” means the State of California.

Section 2. Purpose. This Agreement is made pursuant to the Act by the City and CSCDA for the purpose of: (1) creating the Goleta Facilities Financing Authority; (2) providing for the administration of the Authority; and (3) assisting in the financing and refinancing of public capital improvements, working capital, liability, and other insurance needs, or projects (including as

authorized by Article 4 of the Act (commencing with Section 6584)) whenever there are significant public benefits, as determined by the City, by exercising the powers granted in this Agreement.

Section 3. Term. This Agreement becomes effective as of the date that each party has executed a counterpart of this Agreement and shall continue in full force and effect until terminated by written agreement of the Members; *provided, however*, that in no event shall this Agreement terminate while any Obligations of the Authority remain outstanding under the terms of any Indenture or other instrument pursuant to which such Obligations are issued or incurred, and this Agreement and the Authority shall continue to exist for the duration of the term of such Obligations, Indentures, or instruments for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of the Authority.

Section 4. The Authority.

(a) Creation of the Authority.

(1) There is hereby created pursuant to the Act an authority and public entity to be known as the “Goleta Facilities Financing Authority.” As provided in the Act, the Authority shall be a public entity separate and apart from the Members and shall administer this Agreement. The debts, liabilities, and obligations of the Authority shall not constitute debts, liabilities, or obligations of the Members.

(2) Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the California Secretary of State in the manner set forth in section 6503.5 of the Act. Such notice shall also be filed with the office of the State Controller.

(3) In addition, as required by section 53051 of the California Government Code, within 70 days after the effective date of this Agreement, the Authority shall file with the Secretary of State on a form prescribed by the Secretary of State and also with the County Clerk of Santa Barbara County, a statement of the following facts: (1) the full, legal name of the Authority; (2) the official mailing address of the Board; (3) the name and residence or business address of each member of the Board; and (4) the name, title, and residence or business address of the Chair and Secretary of the Authority. Within 10 days after any change in the facts required to be stated pursuant to the foregoing, the Authority shall file an amended statement containing such information with the Secretary of State on a form prescribed by the Secretary of State and also with the County Clerk of Santa Barbara County.

(b) Governing Board.

(1) The Authority will be administered by the Board of Directors, which will consist of the members of the City Council. The term of office of each member of the Board will terminate when such member of the Board ceases to hold his or her respective seat on the City Council, and the successor to such seat on the City Council will automatically become a member of the Board upon assuming such office.

(2) Members of the Board will not receive any compensation for serving as such but will be entitled to reimbursement for necessary expenses actually incurred in connection

with serving as a member if the Board determines that such expenses will be reimbursed and there are unencumbered funds available for such purpose.

(c) Meetings of Board.

(1) Time and Place. The time and place for holding Board meetings shall be established and may be changed at any time by resolution of the Board. Initially, the Board shall conduct regular meetings on the same date, at the same time, and at the same location as the regular meetings of the City Council; provided that the first regular meeting of the Board shall occur on September 17, 2024. Such regular meetings may occur either during or after the regular meetings of the City Council but may not commence earlier than the starting time for the regular meetings of the City Council. If the Secretary does not post an agenda for a regular meeting pursuant to the Brown Act, then such failure to post shall be deemed to be a determination by the Chair that no items require discussion and, therefore, that the regular meeting has been cancelled, except as otherwise provided in the Brown Act. The Board may hold special meetings at any time and from time to time in accordance with law. An agenda for a meeting of the Board may be combined with the agenda for a meeting of the City Council.

(2) Legal Notice. All regular, adjourned regular and special meetings of the Board shall be called, noticed, held, and conducted subject to the provisions of the Brown Act.

(3) Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Members.

(4) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

(d) Officers; Duties; Bonds.

(1) The officers of the Authority shall be the Chair, Vice Chair, Executive Director, Secretary, and Treasurer. The Chair shall be the person serving as the Mayor of the City, the Vice-Chair shall be the person serving as the Mayor Pro Tempore of the City, the Executive Director shall be the person serving as the City Manager of the City, the Treasurer shall be the Finance Director of the City, and the Secretary shall be the person serving as the City Manager or a person designated by the City Manager. The officers shall perform the duties normal to their respective offices and such other duties as may be imposed by the Board. The foregoing officers shall sign all contracts on behalf of the Authority and shall perform such other duties as may be imposed by the Board; provided that the Board may, by resolution, authorize other officers of the Authority to sign contracts on behalf of the Authority. The Vice Chair shall act, sign contracts, and perform all of the Chair's duties in the absence of the Chair. The Secretary shall perform such duties as may be imposed by the Board and cause a copy of this Agreement, and any amendment to this Agreement, to be filed with the California Secretary of State pursuant to the Act. These officers shall have such additional powers and duties as may be determined by the Board from time to time by resolution. The City Attorney of the City, or a member of the City Attorney's Office designed by the City Attorney, shall serve as the General Counsel of the Authority.

(2) Pursuant to Section 6505.6 of the Act, the Finance Director of the City is hereby designated as the Treasurer of the Authority. 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 in the amount of \$25,000 as required by section 6505.1 of the Act; provided, that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any Obligations). The cost of the bond, if necessary, shall be paid by the City. The Treasurer shall comply with the duties and responsibilities of the office as set forth in subdivisions (a) to (d), inclusive, of Section 6505.5.

(3) So long as required by Section 6505 and Section 6505.5 of the Act, the Treasurer of the Authority shall prepare or cause to be prepared: (a) a special audit as required pursuant to Section 6505 of the Act every year during the term of this Agreement; and (b) a report in writing on the first day of July, October, January, and April of each year to the Board, and the Members which report shall describe the amount of money held by the Treasurer of the Authority, the amount of receipts since the last such report and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Obligations to the extent that such trustee or other fiduciary provides regular reports covering such amounts).

(4) The services of the officers shall be without compensation by the Authority. The City will provide such other administrative services as required by the Authority and shall not receive economic remuneration from the Authority for the provision of such services.

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

(6) All of the privileges and immunities from liability, exemptions from laws, ordinances, and rules, all pension, relief, disability, worker's compensation, and other benefits which apply to the activities of officers, agents, or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(7) None of the officers, agents, or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

(8) The Members hereby confirm their intent and agree that, as provided in Section 4(a) hereof and in the Act, the debts, liabilities, and obligations of the Authority shall not constitute debts, liabilities, or obligations of the Members including, without limitation the City or CSCDA, and they do not intend by the following sentence to impair this provision. Notwithstanding Section 4(a) hereof and the Act, the City, Members of the Authority other than CSCDA, and the Authority shall indemnify, defend, and hold harmless CSCDA and each of CSCDA's officers, directors, employees, attorneys, Commission members, and agents from and against any and all costs, expenses, losses, claims, damages, and liabilities directly or indirectly arising out of or in connection with the activities of the Authority, including but not limited to any transaction or series of transactions undertaken by or for the benefit of Members of the Authority other than CSCDA. CSCDA may elect to defend itself in any such action with counsel of its choice, the reasonable fees of such counsel to be

paid by the City. The Authority and the City shall be jointly and severally liable for any indemnity obligation owed to CSCDA or any other indemnified party under this paragraph. Notwithstanding the provisions of section 895.6 of the California Government Code, the City shall not have any right to contribution from CSCDA. This Section 4(d)(8) shall survive the termination of this Agreement.

(9) The Authority or the City shall cause all records regarding the Authority's formation, existence, and operations, any Obligations issued or incurred by the Authority, obligations incurred by it, and proceedings pertaining to its termination to be retained for at least six years following termination of the Authority or final payment of any Obligations issued or incurred by the Authority, whichever is later.

(10) Confirmation of officers shall be the first order of business at the first meeting of the Authority, regular or special, held in each calendar year.

(11) No Board member, officer, agent, or employee of the Authority, without prior specific or general authority by a vote of the Board, shall have any power or authority to bind the Authority by any contract, to pledge its credit, or to render it liable for any purpose in any amount.

Section 5. Powers.

(a) The Authority shall have any and all powers which are common powers of the Members, the powers separately conferred by law upon the Authority, including but not limited to Article 4 of the Act (commencing with Section 6584). All such powers, whether common to the Parties or separately conferred by law upon the Authority, are specified as powers of the Authority except any such powers which are specifically prohibited to the Authority by applicable law. Except as otherwise set forth herein as permitted by the Act or any other applicable provision of law, the Authority's exercise of its powers is subject to the restrictions as are applicable to the City in the manner of exercising such powers, as required by Government Code section 6509.

(b) The Authority is hereby authorized, in its own name, to do all acts necessary or convenient for the exercise of its powers, including, but not limited to, any or all of the following: to sue and be sued; to make and enter into contracts; to employ agents, consultants, attorneys, accountants, and employees; to acquire, hold or dispose of property, whether real or personal, tangible or intangible, wherever located; to issue bonds or otherwise incur debts, liabilities or obligations including, without limitation, Obligations, to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such Obligations.

(c) Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary or convenient to accomplish the purposes set forth in Section 2 hereof.

(d) Notwithstanding anything to the contrary in this Agreement, the Authority shall not have the power or the authority to enter into any retirement contract with any public retirement system (as defined in section 6508.2 of the California Government Code) for any reason. The provision in this paragraph is intended to benefit the Members and to be a confirming irrevocable obligation of the Authority, which may be enforced by the Members, individually or collectively.

Section 6. Termination of Powers. The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

Section 7. Fiscal Year. Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from July 1 of each year 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, 2025.

Section 8. Disposition of Assets. Upon termination of this Agreement pursuant to Section 3 hereof, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to any contributions made as required by section 6512 of the Act. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. After rescission or termination of this Agreement pursuant to Section 3 hereof, all property of the Authority, both real and personal, shall be distributed to the City and other Members, subject to Section 9 hereof.

Section 9. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment, or property may be made to the Authority by the Members 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 made in respect of a revenue-producing facility shall be made subject to repayment and shall be repaid in the manner agreed upon by the City, other Member or CSCDA, as the case may be, and the Authority at the time of making such advance, as provided by section 6512.1 of the Act. It is mutually understood and agreed that neither the City nor CSCDA has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. As and if any public agency is added as an additional Member, it is expected that the City and such public agency may by an amendment to this Agreement agree to bear their future share of the costs and expenses incurred by the Authority in the course of its activities. The Members may allow the use of personnel, equipment, or property in lieu of other contributions or advances to the Authority. Other costs may by written agreement of the Authority be borne by the Authority as a charge against any unencumbered funds of the Authority available for that purpose.

Section 10. Obligations.

(a) Authority to Issue or Incur Obligations. When authorized by the Act or other applicable provisions of law and by resolution of the Board, the Authority may issue or incur Obligations for the purpose of raising funds for the exercise of any of its powers or to otherwise carry out the purposes of this Agreement. Said Obligations shall have such terms and conditions as are authorized by the Board.

(b) Special, Limited Obligations.

(1) The Obligations, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from and secured solely by the revenues, funds, and other assets pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of the Authority or any Member. The Obligations shall not be secured by a legal or equitable pledge of, or lien or charge upon, or security interest in, any property of the Authority or any of its income or receipts except, the property, income, and receipts pledged therefor under the applicable Indenture(s). The

Obligations shall not constitute a debt, liability, or obligation of the State or any public agency thereof, including any Member, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including the Members, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Obligations, nor shall the State or any public agency or instrumentality thereof, including the Members, in any manner be obligated to make any appropriation for such payment. The Authority shall have no taxing power.

(2) No covenant or agreement contained in any Obligation or Indenture shall be deemed to be a covenant or agreement of any director, officer, official, agent, or employee of the Authority or any Member, in his or her individual capacity, and no director or officer of the Authority executing an Obligation shall be liable personally on such Obligation or be subject to any personal liability or accountability by reason of the issuance of such Obligation.

Section 11. Agreement not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the City and CSCDA, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

Section 12. Accounts and Reports.

(a) Books and Records. All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles and by each Indenture for outstanding Obligations (to the extent such duties are not assigned to a trustee for owners of Obligations). The books and records of the Authority shall be open to inspection at all reasonable times by the Members and their representatives.

(b) Indentures. The Authority shall require that each Indenture provide that the trustee appointed thereunder shall establish suitable funds, furnish financial reports, and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section 12.

(c) Audits. The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority in compliance with the requirements of the Act. 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 12, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

(d) Audit Reports. The Treasurer of the Authority, as soon as practicable after the close of each Fiscal Year but in any event within the time necessary to comply with the requirements of the Act, shall file a report of the audit performed pursuant to this Section 12 as required by the Act and shall send a copy of such report to public entities and persons in accordance with the requirements of the Act.

(e) Reports to the State of California. The Treasurer of the Authority shall file all reports required by law to be filed with the California Debt and Investment Advisory Commission, the California Secretary of State, and any other State of California entities.

Section 13. Funds. Subject to the provisions of each Indenture for outstanding Obligations providing for a trustee to receive, have custody of, and disburse funds that constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of, and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Section 14. Conflict of Interest Code. The Authority shall, by resolution, adopt a Conflict of Interest Code to the extent required by law. Such Conflict of Interest Code may be the Conflict of Interest Code of the City of Goleta, as previously adopted by the City Council. As so adopted by the Authority, Board members and officers of the Authority will disclose financial interests according to the disclosure categories for their respective positions pursuant to the disclosure categories stated in the Conflict of Interest Code of the City of Goleta. The Goleta City Clerk is the filing officer for Board members and officers of the Authority.

Section 15. Breach. If default of this Agreement is made by the City, CSCDA or other Members in any covenant contained in this Agreement, such default shall not excuse the City, CSCDA or other Members from fulfilling their respective obligations under this Agreement, and the City, CSCDA and other Members shall continue to be liable for the performance of all conditions herein contained. The City, CSCDA and other Members hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the City, CSCDA and other Members hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

Section 16. Withdrawals and Additions of Members.

(a) Withdrawals. Any Member may withdraw from the Authority by filing with the Board a certified copy of a resolution of the governing body of the Member expressing its desire to so withdraw, whereupon the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement, and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect the existence of the Authority or the effectiveness of any Obligations of the Authority. If such withdrawal would result in the termination of the Authority, such termination shall be subject to the limitations of Section 3 and the Member shall pay all of its outstanding obligations to the Authority prior to, and as a condition precedent of, such termination becoming effective. It is expected that no Member shall withdraw if doing so should cause this Agreement terminate while any Obligations of the Authority remain outstanding under the terms of any Indenture or other instrument pursuant to which such Obligations are issued or incurred, and any Member seeking to withdraw with the potential effect of such termination shall cooperate with such single remaining Member to delay its withdrawal, as reasonable and necessary, until another public agency is added as an additional Member.

(b) Additional Members. Any public agency may be added as a party to this Agreement and become a Member by filing with the Board a certified copy of a resolution of the governing body of such public agency whereby it agrees to the provisions of this Agreement and

requests to become a Member. The Board may accept or reject any such proposal in its sole discretion and, if accepted, such public agency shall become a Member when: (i) its admission is approved by a vote of a majority of the Board voting on the matter; (ii) such public agency agrees to bear its future share of the costs and expenses incurred by the Authority in the course of its activities; and (iii) such public agency signs this Agreement. Upon satisfaction of the provisions of this clause (b), such public agency shall be a Member for all purposes of this Agreement. The effectiveness of such membership shall not constitute or require an amendment or modification of this Agreement.

Section 17. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid, and binding obligation of CSCDA and the City, as the initial Members, when each party has executed a counterpart of this Agreement.

Section 18. Severability. Should any part, term, phrase or provision of this Agreement or the application thereof to any Party or any other person or circumstance be decided by a court of competent jurisdiction, for any reason, to be illegal, invalid, or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, it shall be deemed severable, and the validity of the remaining parts, terms, or provisions hereof shall not be affected thereby.

Section 19. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, no party may assign any right or obligation hereunder without the consent of the other parties.

Section 20. Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 3 hereof; and, provided further, that such supplemental agreement shall be subject to any restrictions contained in any Obligations or documents related to any Obligations to which the Authority is a party.

Section 21. Form of Approvals. Whenever an approval is required by this Agreement, unless the context specifies otherwise, it shall be given, in the case of CSCDA, by resolution duly adopted by the Commission, and, in the case of the City, by resolution duly adopted by the City Council, and, in the case of other Members, by resolution or ordinance duly adopted by the governing board of such Member. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 22. Waiver of Personal Liability. No member, officer, official, employee, attorney, agent, or, with respect to CSCDA, Commission member, of the Authority, the City, CSCDA or other Members shall be individually or personally liable for any claims, losses, damages, costs, injury, and liability of any kind, nature, or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement, and the City shall defend such members, officers, employees, attorneys, agents, or, with respect to CSCDA, Commission member, against any such claims, losses, damages, costs, injury, and liability. Without limiting the generality of the foregoing, no member, officer, official, employee, attorney, agent, or, with respect to CSCDA, Commission member, of the Authority or of any Member shall be personally liable on any Obligations or be subject to any personal liability or accountability by reason of the issuance of Obligations pursuant to the Act and this Agreement. To the full extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee, or other agent of the Authority, and who was or is a party to 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 of the Board, 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 the course and scope of his or her office, employment, or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee, or other agent of the Authority to the extent permitted by law.

Section 23. Notices. Notices to the City hereunder shall be sufficient if delivered to the Finance Director and the City Attorney, and notices to CSCDA hereunder shall be sufficient if delivered to CSCDA staff.

Section 24. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

Section 25. Miscellaneous.

(a) 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.

(b) Each of the parties hereto agrees that the execution of this Agreement may be conducted by electronic means. Each party agrees and acknowledges that it is such party's intent, that if such a party signs this Agreement using an electronic signature, it is signing, adopting, and accepting this Agreement, and that signing this Agreement using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

(c) Where reference is made to duties to be performed for the Authority by a public official or employee, such duties may be performed by that person's duly authorized deputy, assistant, or designee. Where reference is made to actions to be taken by a Member, such action may be exercised through the officers, staff, or employees, of such Member, in the manner provided by law.

(d) This Agreement is made in the State of California under the Constitution and laws of California and is to be construed as a contract made and to be performed in California.

(e) This Agreement is the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers or officials thereunto duly authorized.

CITY OF GOLETA

By _____
City Manager
Date of Execution: _____

APPROVED AS TO FORM:
MEGAN GARIBALDI, CITY ATTORNEY

By: _____
City Attorney

CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT
AUTHORITY

By: _____
Authorized Signatory
Date of Execution: _____