

Appendix E

SUMMARY OF FINANCING OBLIGATIONS

INSTRUMENT	ISSUER	SECURITY	LEGAL AUTHORITY	ADMINISTRATIVE PROCEEDINGS	RESTRICTIONS
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Direct Bonds

Assessment Bonds	Multiple entities (see Appendix D – Legal References – Table D-1-2 for listing)	Assessments on property/fees	Improvement Bond Acts of 1911 and 1915 (see Appendix D – Legal References – Table D-1-1 for list of statutes) State Constitution - Proposition 218.	State Constitution - Proposition 218 and Special Assessment, Investigation, Limitation and Majority Protest Act of 1931 for detailed requirements	Projects must distinguish between and identify parcels being assessed and specific benefits received
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Typical Projects: Works of a "local nature". Improvements authorized by the Bond Acts of 1911 and 1915.

Project Examples: Streets, roads, parks, sewer, lighting, water, drains, transportation, water, gas, and electric power.

Local Agency General Obligation Bonds	Multiple entities (see Appendix D – Legal References – Table D-2-1 for listing of special districts authorized to issue general obligation bonds)	Ad valorem tax	Article XVI, Section 18 and Article XIII A Section 1(b) of the California Constitution. Cities, Counties, School districts and Special districts each have specific requirements.	Article XVI, Section 18 and Article XIII A Section 1(b) of the California Constitution. Cities (Government Code Section 43600), Counties (Government Code Section 29900), School Districts (Education Code Section 15100) and special districts (see Appendix D – Legal References – Table D-2-1 for listings) each have specific requirements.	Two-thirds majority approval of voters in specified area (with some exceptions)
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Typical Projects: Projects are classified by City, County, School District and Special District.

Project Examples: Schools, parks, highways bridges, airports. (See tables in Local Agency General Obligation Bonds section for a comprehensive description of projects financed categorized (by county, city and school district).

Mello-Roos Bonds	Community Facilities District (CFD)	Parcel taxes	Mello-Roos Facilities Act of 1982	See Mello-Roos section in Chapter 6, Types of Financing Obligations for the establishment of a CFD and approval process.	Two-thirds majority voter approval of landowners in district. Must be sold using competitive bid unless negotiated bid cost is proven lower
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Typical Projects: Purchase or rehabilitation of real or other tangible property with a useful life of at least five years. Services associated with the CFD.

Project Examples: Local parks, recreation, open-space, schools, libraries, childcare centers, water/power/gas facilities. Services such as police, fire, recreation, and park maintenance.

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Direct Bonds

Pension Obligation Bonds	Local Agencies	General Fund	Structured as refunding bonds issued pursuant to the Local Agency Refunding Law (Government Code Section 53580) Article XVI, Section 18. Qualify for exception of "obligations imposed by law." No two-thirds majority needed.	Resolution of issuance, validation procedures	Must be bond issuance refunding. Cannot exceed Unfunded Accrued Actuarial Pension Liability (UAAL).
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Typical Projects: Refunding of UAAL.

Project Examples: Restricted to UAAL.

Sales Tax Bonds	Special sales tax districts	Sales and use tax revenues	Revenue Bond Act of 1941. See Appendix D - Legal References - Table D-6-1 for listing of statutory authorizations.	Revenue Bond Act of 1941	California Constitution, Article XVI Sec. 18 for issuing, Community Redevelopment Act of 1993 (AB 1290) for restrictions
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Typical Projects: Transportation infrastructure.

Project Examples: Highway improvement, expansion, and maintenance. Public transit systems.

Tax Allocation/ Redevelopment Bonds	Redevelopment Agencies, Chartered Cities	Mostly tax increment but may include tax allocations, transient occupancy taxes, revenues or income from projects, contributions from state or federal government	California Constitution Article XVI Sec. 16, Health and Safety Code Sections 33640, 33204	California Constitution Article XVI Sec. 16, Health and Safety Code Sections 33640,33204	Community Redevelopment Act of 1993 (AB 1290) for a complete listing of restrictions
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Typical Projects: Activities that reduce or eliminate blight within a project area not expected to be improved by private or government action.

Project Examples: Buildings, housing, freeway interchange, sewer systems.

Public Enterprise Revenue Bonds	Cities, Counties, Joint Powers Authorities	Revenue from the enterprise	Revenue Bond Act of 1941. See Appendix D - Legal References - Table D-3-1 for listing of statutory authorizations.	Revenue Bond Act of 1941. See Appendix D - Legal References - Table D-3-1 for specific codes relating to issuance requirements.	
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Typical Projects: Revenue producing enterprises. See **Public Enterprise Revenue Bond** section in **Chapter 6, Types of Financing Obligations** for examples.

Project Examples: Public buildings, stadiums, electric utilities, water and sewer treatment, airports, police stations, libraries, low income housing, police and fire vehicles, computers.

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Direct Bonds

Public Lease Revenue Bonds	Joint Powers Authorities, Nonprofits, Redevelopment Agencies, Parking Authorities, Public Works Departments	Lease payments	Instruments structured as leases, not classified as debt for purposes of debt limit and voter approval. See Appendix D - Legal References - Table D-4-1 for codes addressing authorization for specific issuers.	See Appendix D - Legal References - Table D-4-1 for codes addressing approval procedures for specific issuers	Maturity cannot be longer than useful life of project. A legally enforceable lease must be created.
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Typical Projects: Capital improvements to be leased by a public agency.

Project Examples: Stadiums, parking facilities, convention centers, school buildings, airports, entire water or sewer systems.

Conduit Bonds

Conduit Revenue Bonds - Economic Development	CEDFA, CPCFA, Joint Powers Authorities, Industrial Development Agencies	Revenue derived from project	Various. See Appendix D - Legal References - Table D-8-1 for specific issuers.	Various. See Appendix D - Legal References - Table D-8-1 for specific issuers.	CDLAC volume cap, CIDFAC approval, CPCFA approval
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Typical Projects: Small manufacturing facilities, pollution control facilities, specific narrowly defined projects.

Project Examples: Manufacturing, assembly fabrication, renovation, or processing plants for goods or agriculture. Hazardous waste disposal and processing facilities, waste collection/treatment facilities.

Conduit Revenue Bonds - Educational Facility	CEFA, Joint Powers Authorities, Charter Cities	Payments from educational facility	California Educational Facilities Act - Education Code Section 94100	California Educational Facilities Act - Education Code Section 94100	No facilities for religious worship
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Typical Projects: Educational facilities.

Project Examples: Dormitories, administration buildings, dining halls, student unions, school libraries, research facilities, student loan programs.

Conduit Revenue Bonds - Hospital and Health Care	CHFFA, County Health Care Districts, Charter Cities, Joint Powers Authorities	Payments from health care facility	California Health Care Facilities Financing Authority Act – Government Code Section 15430	California Health Care Facilities Financing Authority Act – Government Code Section 15430	TEFRA hearing required
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Typical Projects: Construction, renovation, expansion of health care facilities.

Project Examples: Acute care hospitals, psychiatric care hospitals, skilled nursing facilities, community clinics, outpatient hospitals.

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Conduit Bonds

Conduit Revenue Bonds - Multifamily Housing	Cities, Counties, Joint Powers Authorities, Housing Authorities, Redevelopment Agencies (Described in Appendix D - Legal References - Table D-9-1)	Revenue derived from project or lending program	See code sections described in Appendix D - Legal References - Table D-9-1	See code sections described in Appendix D - Legal References - Table D-9-1	CDLAC volume cap. Various rent and income limitations.
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Typical Projects: Financing and/or refinancing construction, renovation, rental housing developments for private developers.

Project Examples: Multifamily projects, including apartment buildings.

Marks-Roos Bonds	Joint Powers Authorities	General Fund or revenue derived from participating local agency	Marks-Roos Local Bond Pooling Act of 1985-Government Code Section 6584. See Marks-Roos Bonds section in Chapter 6, Types of Financing Obligations for complete discussion.	Marks-Roos Local Bond Pooling Act of 1985; Government Code Section 6584. See Marks-Roos Bonds section in Chapter 6, Types of Financing Obligations for complete discussion.	
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Typical Projects: Assisting local agencies with financing needs. Capital improvement bonds, bond pooling, and working capital or insurance programs.

Project Examples: Public buildings, stadiums, electric utilities, water and sewer treatment, airports, police stations, libraries, low income housing, mass transit, telecommunications.

Single Family Mortgage Revenue Bonds	Cities, Counties, Joint Powers Authorities, Housing Authorities	Revenue from project	Authorized through California Health and Safety Code. See Appendix D - Legal References - Table D-7-1 for specific issuers.	Authorized through California Health and Safety Code. For codes related to issuance procedure, see Appendix D - Legal References - Table D-7-1 .	CDLAC volume cap, various rent and income limitations
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Typical Projects: Below market loan programs for low to moderate-income families, acquisition, rehabilitation, and improvement of single-family homes.

Project Examples: Purchase mortgage loans originated by one or more lenders participating in the program.

Leases

Certificates of Participation / Financial Leases	Joint Powers Authority, Nonprofit Corporation, Leasing Company, Bank or Other Lessor	Rent	Instruments structured as lease, not classified as debt for purposes of debt limit and voter approval. See Appendix D – Legal References – Table D-5-1 for codes addressing authorization for specific issuers.	See Appendix D – Legal References – Table D-5-1 for codes addressing approval procedures for specific issuers	May be used for land and depreciable property
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Typical Projects: Public buildings. Only land and depreciable property that a public agency has statutory authorization to lease.

Project Examples: Educational facilities; irrigation, water, sewer, police, and fire facilities; transportation equipment.

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Short Term Debt/Other

Commercial Paper	State, Local Agencies	General Fund	Issuer must have statutory authority to issue notes in an unlimited principal amount and sell in negotiated sale	Governing body adopts resolution authorizing the issuance	Denominations of \$25 million
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Typical Projects: Provide short-term working capital.

Project Examples: Operating expenses or capital project start-up costs.

Tax and Revenue Anticipation Notes (TRANS)	Public Agencies	General Fund	General and individual entity authorizations detailed in Government Code Sections 53820-53859.08	General and individual entity authorizations detailed in Government Code Sections 53820-53859.08	15-month maturity, 85 percent of estimated uncollected taxes, income, revenue, or other sources needed to repay notes
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Typical Projects: Fund cash flow deficits in a fiscal year.

Project Examples: Provide funds to cover operating expenses (salaries, miscellaneous expenses) for school districts.

Teeter Plan	Counties	Delinquent property taxes, fines, and penalties	California Revenue and Tax Code Sections 4701-4717	Teeter Plan Bond Law of 1994. Government Code Sections 54773–54783.
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Types of Projects: County financing of local agency's delinquent property taxes, fines, and penalties.

Project Examples: County acts as "bank" to local agencies and loans on delinquent property taxes and penalties.