

## AGENDA ITEM 6 (ACTION ITEM) ADOPTION OF REGULATIONS

### Adoption of Regulations June 23, 2015

#### STAFF REPORT

The passage of AB 2274, Gordon (Chapter 181, Statutes of 2014) made technical changes to Government Code Section 8855. Among other changes, the bill removed specific language referring to the sale methods or elements of the transaction associated with the issuance of debt. CDIAC felt that this language could have been interpreted by issuers to mean that they were required to provide only information on proposed or issued state and local bonds or debt instruments that were issued similarly to bonds. By removing this language, the statutory change added clarity and strength to CDIAC's authority to collect authorization and issuance information on all state and local debt inclusive of traditional financing structures like bonds, as well as new and emerging structures that public entities may employ in the future.

While the statutory change removed ambiguity about CDIAC's authority to collect information on all state and local debt, the operative word "debt" is not defined in statute. Furthermore, several other operative terms in Government Code Section 8855 that affect the way in which debt information is reported and collected are also not defined. In order to provide the greatest level of clarity to California issuers of the Commission's expectations that it receive information related to all debt issuance and to be transparent and inclusive in the development of these expectations, staff is proposing that the Commission establish formal regulations through the state's rulemaking process.

The regulations submitted herewith for the Commission's consideration and adoption are designed to achieve three objectives.

1. **DEFINE "DEBT" AND OTHER TERMINOLOGY.** Staff has proposed a definition of "debt" that points to the common and consistent elementary contractual characteristics of debt structures, while specifying

commonly recognized evidence of indebtedness. The definition of “debt” also requires the formal definition of other precedent terms. As well, staff’s proposal intends to define terms appearing in CDIAC statutes, such as, “issue” and “sale” to provide clarity and consistency to the data collection process and the obligations of issuers to pay fees to CDIAC.

2. ADDRESS PROCEDURAL DIFFERENCES WITH REGARD TO THE USE OF COMMERCIAL PAPER AND LINES OF CREDIT. The structure and issuance characteristics specific to commercial paper programs and lines of credit have created complications in how information on these specific debt types is reported by issuers and collected by CDIAC. The proposed regulations will communicate the specific events that must be reported and requirements for reporting this information for these specific debt types in a timely manner.
3. MAKE ISSUANCE FEES STATUTORILY CONSISTENT AND ADDRESS CDIAC’S OPERATIONAL DEFICIT. Since FY 2007-08 CDIAC’s expenditures have exceeded total revenue by 30 to 40 percent, resulting in annual deficits of approximately \$700,000. After accounting for one-time interest earnings and given the current fee schedule, staff projects that CDIAC’s annual operational deficit will grow to over \$1 million. An increase in issuance fee revenue is needed to address operational deficits.

Government Code Section 8856 allows CDIAC to charge the lead underwriters, the purchaser, or the lender a fee of one-fortieth of 1 percent (0.025%) of the principal amount of the issue, not to exceed \$5,000 for any one issue. Based on CDIAC’s analysis of debt issuance history, this fee schedule would likely produce a yearly surplus in the CDIAC Fund. As a result, staff proposes that the Commission employ a permissive interpretation of Section 8856 and charge no issuance fee on issues with a short-term maturity (18 months or less), purchased by an agency of the federal government, or purchased with the proceeds of debt issued under the Marks-Roos Bond Pooling Act. It is important to note, the proposed fee exemption does not relieve the issuer of their responsibility to submit debt authorization and issuance reports to CDIAC. Staff recommends that this proposal be established by regulations.

Based on the calendar year 2014 issuance reported to CDIAC, adoption of the proposed issuance fee would generate approximately \$3.2 million in annual revenue, a figure consistent with CDIAC’s projected expenditures in FY 2015-16.

## RULEMAKING PROCESS AND TIMELINE

Upon approval of the resolution to adopt regulations by the Commission, CDIAC staff will begin the rulemaking process by preparing a notice of a proposed rulemaking to be published in the California Regulatory Notice Register (“Register”), mailing the notice to interested parties, and posting the notice, text, and initial statement of reasons for the rulemaking on the CDIAC website. The notice starts a 45-day public comment period. After that the initial 45-day public comment period, staff will review and respond to any comments. If the public comments result in substantial modifications, the revised regulations must be published in the Register again for a second, 15-day public comment period. Staff will again review and respond to any comments resulting from the second period. Following the public comment process, staff will submit a rulemaking file to the California Office of Administrative Law (“OAL”). OAL has 30 working days to review the regulations for compliance with the Administrative Procedure Act and the Commission’s statute. Once OAL approves the regulations, they are filed with the Secretary of State and become effective 30 days later. Given this procedural timeline and accounting for circumstances both foreseen and unforeseen, staff estimates that a rulemaking process that commenced in July 2015 could be concluded and made effective by January 2016.

Until regulations are made effective, the CDIAC issuance fee schedule adopted under Commission continuing resolution 10-03<sup>1</sup> and the CDIAC policies adopted for the collection of debt authorization and issuance data will remain in effect.

## STAFF RECOMMENDATION

Staff recommends adoption of the following resolution to approve regulations in substantially the form submitted and authorize staff to proceed to file such regulations with the OAL through a formal rulemaking proceeding.

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<sup>1</sup> Commission Resolution 10-03 established the current fee per issue at 0.015% of principal not to exceed \$3,000 for long-term maturities. Issues with short-term maturities are charged a \$150 flat fee. Any issue with principal under \$1 million, sold to the federal government, or purchased with the proceeds of debt issued under the Marks-Roos Bond Pooling Act is not charged a fee.



## Resolution 15-02

Date of Adoption: June 23, 2015

WHEREAS, the California Debt and Investment Advisory Commission (the “Commission”) is authorized by California Government Code section 8855(e) to adopt regulations to implement and make specific the statutory provisions governing the affairs of the Commission and the conduct of its business; and

WHEREAS, the California Office of Administrative Law has reserved Division 9.6, Section 6000 of Title 4 of the California Code of Regulations for the regulations pertaining to the Commission;

WHEREAS, the Commission has determined that adoption of regulations relating to definitions, forms used to collect information on state and local debt authorization and issuance, and issuance fees, are necessary to govern its affairs and conduct its business;

NOW, THEREFORE, BE IT RESOLVED by the California Debt and Investment Advisory Commission as follows:

SECTION 1. The proposed text of regulations presented at this June 23, 2015 meeting is hereby approved in substantially the form submitted. The Chair, Executive Director, or Deputy Executive Director is hereby authorized, for and on behalf of the Commission, to proceed with filing such regulations with the California Office of Administrative Law, with the supporting documentation required by law.

SECTION 2. The Chair, Executive Director, or Deputy Executive Director of the Commission are hereby authorized and directed to take such actions, including making or causing to be made such changes to the regulations as may be required for approval thereof by the California Office of Administrative Law, and to execute and deliver any and all documents that they may deem necessary or advisable in order to effectuate the purposes of this resolution.

SECTION 3. This resolution shall take effect immediately upon its approval.

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Mark B. Campbell, *Executive Director*



# Proposed Text of Regulations

## TITLE 4. BUSINESS REGULATIONS

### DIVISION 9.6. CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

#### Chapter 1. General Provisions

#### Article 1. Definitions

SECTION 6000. DEFINITIONS. The following terms are defined as follows:

(a) “Creditor” means the party in a Debt contract that is obligated to transfer assets, moneys, or rights to the beneficial use of assets to the Issuer, either directly or as an assignee of these obligations, in exchange for one or more payments under the Debt contract. The designation of Creditor in a Debt contract is assigned to financing participants including, but not limited to Underwriters, Purchasers, Lenders, lessors or a Syndicate of such that are bound by agreement to operate as a single Creditor as defined herein.

(b) “Debt” means a contractual agreement through which a Creditor or Creditors transfers assets or moneys of an agreed value or amount, or rights to beneficial use of assets, to an Issuer in exchange for one or more non-cancelable payments, inclusive of an interest component no matter whether it is paid, accrued, or imputed, over a specified period of time, the total present value of which is approximately equal to the value of the assets or rights on or about the time the transfer occurred. The instruments or types of indebtedness that are evidence of Debt include, but are not limited to:

- (1) Bonds
- (2) Notes
- (3) Loans
- (4) Warrants
- (5) Certificates of Participation
- (6) Commercial Paper Notes
- (7) Lines of Credit
- (8) Installment Purchases
- (9) Leases that meet any of the following criteria:
  - (A) The term of the lease, including options to extend, exceeds 75% of the life of the asset.

(B) There is a transfer of ownership to the lessee at the end of the lease term.

(C) Lessee has an option to purchase the asset at the end of the lease term at a price well below market.

(D) The present value of the lease payments, discounted at an appropriate discount rate, exceeds 90% of the fair market value of the leased asset.

(c) “Issue” means Debt entered into by an Issuer and Sold on a contemporaneous or nearly contemporaneous basis, in one or more series, under the terms of one Debt contract with the same Creditor.

(d) “Issuer” means the entity of State or Local Government that is legally authorized to enter into the contract through which Debt is created. An Issuer retains the designation as such even though it may serve as a legal conduit through which the rights to the use of the assets and the obligations for performance on the Debt contract are assigned to a third-party obligor.

(e) “Lead Underwriter” means the member or members, in the case of a shared lead role, of an underwriting Syndicate charged with primary responsibility for conducting the affairs of the Syndicate for the purpose of purchasing an Issue from an Issuer, or the Underwriter of an Issue when no underwriting Syndicate has been formed.

(f) “Lender” means a Creditor in a Debt contract. The Lender in a lease is the lessor or an assignee of the lessor’s rights and obligations under a lease that becomes such on the Sale date.

(g) “Local Government” means any city, city and county, county, public district, public corporation, authority, agency, board, commission, or other local public entity.

(h) “Long Term Maturity” means a period of time between the Sale of Debt and the Maturity that is greater than 18 months.

(i) “Maturity” means the date that the Issuer is obligated to make the final payment, inclusive of principal, interest, or other sums due, to repay the entire Debt Issue without exercise of options of the Issuer or the Creditor to cause the Debt to be repaid earlier.

(j) “Purchaser” means a Creditor in a Debt contract on the Sale date.

(k) “Report of Proposed Debt Issuance” means the report (rev. 01/01/2015), which appears in Appendix A to article 1 of this chapter, that must be submitted to the commission by Issuers prior to the Sale of any Debt.



(l) “Report of Final Sale” means the report (rev. 10/29/2014), which appears in Appendix A to article 1 of this chapter that must be submitted to the commission by Issuers after the Sale of any Debt.

(m) “Sale” means the date of settlement of the transfer between Issuer and Creditor of assets or the rights to use in exchange for the instrument or evidence of indebtedness.

(n) “Short Term Maturity” means a period of time between the Sale of Debt and the Maturity that is 18 months or less.

(o) “State Government” means the state, any department, agency, board, commission, or authority of the state.

(p) “Syndicate” means a group of Underwriters formed and bound by agreement to operate as a single Creditor to purchase a new Issue of Debt from an Issuer.

(q) “Underwriter” means a Creditor in a Debt contract that purchases the instruments or evidences of indebtedness on the Sale date for an Issue of Debt from the Issuer with an intention to resell all or a portion of the instruments or evidences of indebtedness to other buyers.

*Note: Authority cited: Section 8855(e), Government Code. Reference: Sections 8855(h)(3), 8855(i), 8855(j), and 8856, Government Code.*

## Article 2. Report of Proposed Debt Issuance

SECTION 6010. COMMERCIAL PAPER NOTES AND LINES OF CREDIT. The Report of Proposed Debt Issuance for the Issue of Debt under a Commercial Paper program or Line of Credit must be submitted to the commission no later than 30 days prior to the Sale of the first Issue. A separate Report of Proposed Debt Issuance must be submitted to the commission for each subsequent new Issue under the same Debt contract no later than 30 days prior to the Sale or immediately upon the decision by the Issuer to Issue if that decision occurs less than 30 days prior to the Sale. Submission of a Report of Proposed Debt Issuance is not required when Commercial Paper Notes are remarketed or resold prior to their Maturity.

*Note: Authority cited: Section 8855(e), Government Code. Reference: Sections 8855(h)(3), and 8855(i), Government Code.*

## Article 3. Report of Final Sale

SECTION 6020. COMMERCIAL PAPER NOTES AND LINES OF CREDIT. A Report of Final sale must be submitted to the commission for each new Issue of Commercial Paper Notes Sold under the Debt contract and shall

include, among other required information, the principal amount of the Issue. The submission of a Report of Final Sale is not required when Commercial Paper Notes are remarketed or resold prior to their Maturity. A Report of Final Sale must be submitted to the commission for each new Issue from a Line of Credit established under the Debt contract and shall include, among other required information, the principal amount of the Issue.

*Note: Authority cited: Section 8855(e), Government Code. Reference: Sections 8855(h)(3), and 8855(j), Government Code.*

#### Article 4. Issuance Fees

SECTION 6030. ISSUANCE FEE. The Lead Underwriter, Purchaser, or Lender of a Debt Issue will be charged a fee equal to one-fortieth of one percent (0.025%) of the principal amount of the Issue. The Issuance Fee will not exceed \$5,000 per Issue. The Issuance fee will be charged on all Issues except on Issues which meet any of the following criteria as reported by the Issuer on the Report of Final Sale.

(a) Issues with a Short Term Maturity.

(b) Issues where the Purchaser or Lender is an agency of the Federal government.

(c) Issues by a Local Government Issuer that are Purchased with proceeds of a Debt Issue by a joint powers authority formed pursuant to Government Code section 6500 et. seq.

*Note: Authority cited: Section 8855(e), Government Code. Reference: Sections 8856, Government Code.*

**REPORT OF PROPOSED DEBT ISSUANCE**

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
Tel.: (916) 653-3269 FAX: (916) 654-7440

CDIAC NO.: \_\_\_\_\_

Completion and timely submittal of this form to the California Debt and Investment Advisory Commission (CDIAC) at the above address will assure your compliance with existing California State law and will assist in the maintenance of a complete database of public debt in California. Thank you for your cooperation.<sup>1</sup>

ISSUER NAME: \_\_\_\_\_

ISSUE NAME: \_\_\_\_\_

Please specify type/name of project: \_\_\_\_\_

PROPOSED SALE DATE: \_\_\_\_\_ PRINCIPAL TO BE SOLD: \$ \_\_\_\_\_

WILL A VALIDATION ACTION BE PURSUED:  No  Yes  Unknown

IS ANY PORTION OF THE DEBT FOR REFUNDING?<sup>2</sup>

No  Yes, proposed amount for refunding \$ \_\_\_\_\_

**Issuer Contact:**

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Title: \_\_\_\_\_

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

Phone: \_\_\_\_\_ Issuer Located In \_\_\_\_\_ County

**Filing Contact:** Name of Individual (representing:  Bond Counsel,  Borrower Counsel (Loan),  Financial Advisor,  Issuer or,  Lead Underwriter) who completed this form and may be contacted for information:

Name: \_\_\_\_\_

Firm/Agency: \_\_\_\_\_

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

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Send acknowledgement/copies to: \_\_\_\_\_ E-mail: \_\_\_\_\_

**FINANCING PARTIPANTS:**

BOND COUNSEL: \_\_\_\_\_

BORROWER COUNSEL (LOAN): \_\_\_\_\_

FINANCIAL ADVISOR: \_\_\_\_\_

UNDERWRITER/PURCHASER: \_\_\_\_\_

**IS THE INTEREST ON THE DEBT TAXABLE?**

Under State law:  YES (taxable)  NO (tax-exempt)

Under Federal law:  YES (taxable)  NO (tax-exempt) If the issue is federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax?

Yes, preference item  No, not a preference item

TYPE OF SALE:  Competitive  Negotiated

IS THIS FINANCING A PRIVATE PLACEMENT?  No  Yes

<sup>1</sup> Section 8855(i) of the California Government Code requires the issuer of any proposed debt issue of state or local government to submit a report of the proposed issuance to CDIAC no later than 30 days prior to the sale of any debt issue. Under California Government Code Section 8855(j), "The issuer of any new public debt issue shall, not later than 21 days after sale of the debt, shall submit a report of final sale to the commission by any method approved by the commission. An official statement shall accompany the report of final sale. The Commission may require information to be submitted in the report of final sale that it considers appropriate. "

<sup>2</sup> Section 53583(c)(2)(B) of the California Government Code requires that any local agency selling refunding bonds at private sale or on a negotiated basis shall send a written statement, within two weeks after the bonds are sold, to the CDIAC explaining the reasons why the local agency determined to sell the bonds at private sale or on a negotiated basis instead of at public sale.

**TYPE OF DEBT INSTRUMENT**

**NOTE**

- Bond anticipation (BAN)
- Grant obligation (GAN)
- Loan from bank/other institution (LOAN)
- Other note (Please specify below.) (OTHN)
- Revenue anticipation (RAN)
- Tax allocation (TALN)
- Tax and revenue anticipation (TRAN)
- Tax anticipation (TAN)
  
- Commercial paper (CP)
- Certificates of participation/leases (COPL)
- Other (Please specify below.) (OTH)

**BOND**

- Conduit revenue (Private obligor) (CRB)
- General obligation (GOB)
- Limited tax obligation (LTOB)
- Other bond (Please specify below.) (OTHB)
- Pension obligation (POB)
- Public lease revenue (PLRB)
- Rate reduction (GC 6588.7) (RRB)
- Revenue (Pool) (RB)
- Revenue (Public enterprise) (PERB)
- Sales tax revenue (STRB)
- Special assessment (SAB)
- Tax allocation (TAB)

Please specify if "Other note/Other bond/Other" was checked: \_\_\_\_\_

**SOURCE(S) OF REPAYMENT**

- Bond proceeds (BDPR)
- General fund of issuing jurisdiction (GNFD)
- Grants (GRNT)
- Intergovernmental transfers other than grants (ITGV)
- Local obligations (LOB)
- Private obligor payments (POP)
- Other (Please specify.) (OTHS):

- Property tax revenues (PRTX)
- Public enterprise revenues (PER)
- Sales tax revenues (SATR)
- Special assessments (SA)
- Special tax revenues (SPTR)
- Tax-increment (TI)
- Utility project charges (UPC)

**PURPOSE(S) OF FINANCING**

- Cash flow, interim financing (CFIF)
- Project, interim financing (PIF)
  
- College/university housing (CUH)
- Multifamily housing (MFH)
- Other housing (OTHH)
- Single-family housing (SFH)
  
- Health care facilities (HCF)
- Hospital (HOSP)
- Medical research/institute (MRES)
- Other/multiple health care purposes (equipment; etc.)(OMHC)
  
- College/university facility (CUF)
- K-12 school facility (KSCH)
- Other/multiple education uses (equipment, etc.)(OMED)
- Student loans (SLC)
  
- Redevelopment, multiple uses (RD)
  
- Commercial development (CMDV)
- Industrial development (INDV)
- Pollution control (PC)

- Airport (APRT)
- Bridges and highways (BRHI)
- Convention center (CCTR)
- Equipment (EQU)
- Flood control/storm drainage (FLDS)
- Multiple capital improvements and public works (MCAP)
- Other capital improvements and public works (OCAP)
- Parking (PRKG)
- Parks/open space (PRKO)
- Ports and marinas (PRTS)
- Power generation/transmission (PWR)
- Prisons/jails/correctional facilities (PRSN)
- Public building (PB)
- Public transit (PTR)
- Recreation and sports facilities (RCSP)
- Seismic safety improvements/repair (SSI)
- Solid waste recovery facilities (SWST)
- Street construction and improvements (SCI)
- Theatre/arts/museums (THAM)
- Wastewater collection and treatment (WSTW)
- Water supply/storage/distribution (WTR)
  
- Commercial energy conservation/improvement (CECI)
- Human resources (HR)
- Insurance/pension funds (IPF)
- Other than listed above (OTH)
- Residential energy conservation/improvement (RECI)

Please Specify type/name of project: \_\_\_\_\_

**Data Field****Definitions. Clarification of Data Fields**

Issuer Name	Enter the proper name of the public agency issuing the debt. If a Tax & Revenue Anticipation Note (TRAN) pool, provide one list for all participants on an attachment to the <i>Proposed Report</i> . If a pooled financing, and the authority is using the proceeds to acquire the <b>bonds of local obligors</b> (LOBs) which will be issued concurrently, a <i>Proposed Report</i> for each LOB must also be filed. – <b>Mandatory entry field.</b>
Issue Name	Enter the title of debt issue, if known.
Name of Project	Name of the project being financed. For instance, assessment district, housing project, hospital, redevelopment project area, etc.
Proposed Sale Date	Enter the date this debt is scheduled to be sold.. - <b>Mandatory entry field.</b>
Proposed Principal to Be Sold	Enter the total principal amount of debt proposed to be sold. The dollar amount will be verified and updated when the <i>Final Report</i> is submitted after the sale. - <b>Mandatory entry field.</b>
Validation Action	A court judgment declaring the validity of the financing. Check Yes, No or Unknown. - <b>Mandatory entry field.</b>
Refunding	<i>Check Yes or No.</i> Indicate the proposed amount for refunding. This dollar amount will be verified and updated when the <i>Report of Final Sale</i> is submitted after the sale. - <b>Mandatory entry field.</b>
Issuer Contact	Enter the name and address of contact person at issuing agency. E-mail address is mandatory field. - <b>Mandatory entry field.</b>
County	Enter the name of the county where issuing agency is located. If

**Data Field****Definitions. Clarification of Data Fields**

agency encompasses more than one county (i.e., joint powers agencies, joint school districts), indicate multiple counties. -

**Mandatory entry field.**

Filing Contact

Identify the name of the person responsible for filing the information with the Commission, including their job title, their firm and their firm's role in the financing. The contact person listed will receive further information on the issue. Recipients of the acknowledgement letter(s) may be the same person or support staff. E-mail addresses are mandatory entry fields. - **Mandatory entry field.**

Financing  
Participants/Role

Names of the firms fulfilling each role in the financing. - **Mandatory entry field.**

Tax Status

Check whether State and/or federally tax exempt (**Yes** means taxable, **No** indicates tax-exempt). If the debt issue is federally tax-exempt, indicate (by checking the appropriate box) whether this issue is a preference item and subject to the alternative minimum tax (AMT). - **Mandatory entry field.**

Type of Sale

Check either *competitive* or *negotiated* sale. Refer to Section 53583(c)(2)(B) of the California Government Code for additional information required of refunding debt issues sold on a negotiated basis. (The *Report of Final Sale* provides a checklist to meet this requirement.) - **Mandatory entry field.**

Private Placement

Check *Yes* or *No*. Is this financing to be sold as a private transaction? - **Mandatory entry field.**

Type of Debt  
Instrument

The type categories are grouped by notes, bonds, commercial paper, certificates of participation and leases, and other types of debt. Definitions of **selected** types of debt follow. - **Mandatory entry field.**

- *Loan from bank/other institution (LOAN)*. Public debt issued outside of the bond market. A state or local issuer utilizes a

## Data Field

## Definitions. Clarification of Data Fields

loan from an investor or a bank for financing.

- *Other notes.* Includes, but is not limited to, promissory notes, general or limited tax obligation notes.
- *Conduit revenue (private obligor) bonds.* Bond proceeds of the issue are used by nongovernmental borrower for a project financing. Typical conduit projects financed through public agencies may include, but are not limited to, housing, industrial development, certain hospitals, private higher educational facilities, pollution control, etc.
- *Limited tax obligation bonds.* Bonds are sold by a Mello-Roos Community Facilities District (CFD) and are secured by special tax revenues.
- *Sales tax revenue bonds.* Bonds are sold by a transit district, authority, or other public agency and are secured by sales tax revenues.
- *Revenue (pool) bonds.* Bonds sold by a public financing authority (PFA) or joint powers agency, which will be repaid from local obligations acquired with the proceeds of the bonds. Bond proceeds may be used, **for example**, to acquire leases, to make loans, to purchase assessment district or Community Facilities District bonds, for unspecified obligations or for a mix of these purposes. For these bonds, indicate local obligations as source of repayment. Not all Marks-Roos bonds are used for purchasing local obligations.
- *Other bonds.* Check this category if bonds are sold for judgment obligations. Also check this category if the bond category is not listed on Proposed Report. Include a brief description of the type of debt in space provided.
- *Pension obligation (POB).* A form of bond issued by local agencies used to fund pension fund liabilities. It is secured by the General Fund.
- *Rate reduction (GC 6588.7) (RRB).* Bonds issued by an authority, the proceeds of which are used directly or indirectly to pay or reimburse a local agency or its publicly owned utility for the payment of costs of a utility project, and that are secured by a pledge of, and are payable from, utility project property as provided in Section 6588.7.
- *Certificates of participation/leases.* This category is for certificates of participation and all lease transactions, including installment sales contracts, financing leases, and

**Data Field**

**Definitions. Clarification of Data Fields**

master lease programs.

- *Other*. This type category includes type of debt instruments not listed on the form such as warrants and Teeter Plan.

Sources of Repayment

Definitions of **selected** categories follow. If there are two or more sources of repayment, identify the one providing the largest share of repayment.

- *Special tax revenue*. Repayment from limited tax obligation bonds issued by a Mello-Roos Community Facilities District.
- *Local obligations*. Repayments for a Marks-Roos pool bond from several types of debt issues.
- *Utility project charges (UPC)*. Charges paid or to be paid by customers of a publicly owned utility to pay financing costs of rate reduction bonds issued pursuant to GC Section 6588.7.

Purposes of Financing

Major categories are: interim financing, housing, hospitals and health care, education, redevelopment, commercial and industrial development, capital improvement and public works, and other. Refunding and refinancing issues should indicate the purpose of the original financing (i.e., a refunding issue for an assessment district to provide streets and roads **will still** be categorized as streets and roads).

- *Cash-flow, interim financing*. For annual short-term debt issued for cash management purposes.
- *Project, interim financing*. For short-term financing of capital projects until permanent, long term financing can be obtained or sold.
- *Other housing (OTHH)*. Includes building, renovating, improving, furnishing and equipping interim housing for families and individuals facing emergency and/or homelessness, hostels, orphanages, childcare facilities, and housing for persons with developmental special needs.
- *Single-family housing*. Includes mobile home parks.
- *Health care facilities*. Includes congregate care facilities, rest homes, out-patient clinics, etc.



## Data Field

## Definitions. Clarification of Data Fields

- *Medical research/institute (MRES)*. Includes land acquisition, construction, renovating, improving, furnishing and equipment for schools of science, biology and regenerative research facilities
- *Other/multiple health care purposes*. Includes hospital equipment, laboratories or an issue that provides for both of the other health care categories (both a hospital and a health care facility).
- *Other/multiple education uses*. Includes acquisition of school equipment, portable classrooms, or a mix of K-12 and college and university facilities.
- *Redevelopment*. Includes issues for funding redevelopment project areas, which may include many capital improvements, i.e., street construction, water and wastewater, bridges and highways, property enhancement. These improvements are generally related to specific project areas and follow the redevelopment plan for the area. Includes Marks-Roos revenue (pool) bonds sold to acquire debt issued by successor agencies to the former redevelopment agencies. A successor agency which issues bonds to refinance prior redevelopment agency debt should select the purpose category for which the original debt was issued.
- *Multiple capital improvements and public works*. Used for two or more capital improvements categories (also check each individual purpose). For example, a special assessment bond which will be used for street and road construction, flood control, and wastewater treatment/collection will be marked as multiple capital improvements and public works, but the various subcategories are noted in the database.
- *Other capital improvements and public works*. Those improvements not covered under the general categories and may include underground utilities, street lighting, and seawall construction.
- *Public building*. Includes fire and police stations, administration or community centers, libraries, maintenance facilities, and courthouses.
- *Seismic safety improvements/repair*. Improvements and retrofitting required to repair damage from earthquakes or to meet earthquake safety standards.
- *Theatre/arts/museums (THAM)*. Includes building,

**Data Field****Definitions. Clarification of Data Fields**

renovation, equipment and furnishings for fine art, historical and science museums, and performing arts facilities.

- *Commercial energy conservation/improvement (CECI)*. Includes bonds issued pursuant to the Property Assessed Clean Energy (PACE) program for commercial property owners.
- *Human resources (HR)*. Includes construction, renovation and equipping of facilities for organizations that meet the needs of children, families and individuals with special needs and/or emergency/disaster services.
- *Insurance/pension funds*. Includes self-insurance and liability programs, and pension obligations.
- *Residential energy conservation/improvement (RECI)*. Includes bonds issued pursuant to the Property Assessed Clean Energy (PACE) program for residential property owners.
- *Other than listed above*. Includes debt issued for judgment obligations and Teeter Plans.

**REPORT OF FINAL SALE**

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
Tel.: (916) 653-3269 FAX: (916) 654-7440

CDIAC #: \_\_\_\_\_

Under California Government Code Section 8855(j), "The issuer of any new public debt issue shall, not later than 21 days after the sale of the debt, shall submit a report of final sale and official statement (or alternate bond documents) to the Commission. The Commission may require information to be submitted in the report of final sale that it considers appropriate."

ISSUER NAME: \_\_\_\_\_

(If pool bond, list participants)

ISSUE NAME: \_\_\_\_\_

STATUTE ISSUANCE IS AUTHORIZED UNDER? \_\_\_\_\_

ACTUAL SALE DATE: \_\_\_\_\_ PRINCIPAL SOLD: \$ \_\_\_\_\_  
(Date Purchase Agreement Signed/Bid Acceptance)

DATED DATE: \_\_\_\_\_

IS ANY PORTION OF THE DEBT FOR REFUNDING?<sup>1</sup>

No  Yes, refunding amount (including costs) \$ \_\_\_\_\_

**ISSUER CONTACT:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ ISSUER LOCATED IN \_\_\_\_\_ COUNTY

E-Mail: \_\_\_\_\_

**FILING CONTACT:** Name of Individual (representing:  Bond Counsel,  Borrower Counsel (Loan),  Issuer,  Financial Advisor, or  Lead Underwriter) who completed this form and may be contacted for information:

Name: \_\_\_\_\_ Firm/Agency: \_\_\_\_\_

Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Send acknowledgement/copies to: \_\_\_\_\_ E-Mail: \_\_\_\_\_

**TYPE OF SALE:**  Negotiated  Competitive **IS THIS FINANCING A PRIVATE PLACEMENT?**  No  Yes

**NAME OF INDIVIDUAL TO WHOM AN INVOICE FOR THE CDIAC ISSUE FEE SHOULD BE SENT:<sup>2</sup>**

Name: \_\_\_\_\_ Firm: \_\_\_\_\_

Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

<sup>1</sup> Section 53583(c)(2)(B) of the California Government Code requires that any local agency selling refunding bonds at private sale or on a negotiated basis shall send a written statement, within two weeks after the bonds are sold, to CDIAC explaining the reasons why the local agency determined to sell the bonds at a private sale or on a negotiated basis instead of at public sale.

<sup>2</sup> This fee is authorized by Section 8856 of the California Government Code and is charged to the lead underwriter, purchaser or lender of the issue. The current fee schedule may be obtained from CDIAC.

**FINANCING PARTICIPANTS (Firm name)**

FINANCIAL ADVISOR: \_\_\_\_\_  
 LEAD UNDERWRITER/PURCHASER: \_\_\_\_\_  
 BORROWER COUNSEL (LOAN): \_\_\_\_\_  
 BOND COUNSEL: \_\_\_\_\_  
 CO-BOND COUNSEL: \_\_\_\_\_  
 TRUSTEE/PAYING AGENT: \_\_\_\_\_  
 PLACEMENT AGENT: \_\_\_\_\_

**OFFICE LOCATION (City/State)**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**MATURITY SCHEDULE**

Attached  Included in Official Statement

**MATURITY STRUCTURE**

Serial (S)  Term (T)  
 Serial and term bonds (B)

**FINAL MATURITY DATE:** \_\_\_\_\_

**FIRST OPTIONAL CALL DATE:** \_\_\_\_\_

**SENIOR/SUBORDINATE STRUCTURE**  Yes  No

**OFFICIAL STATEMENT/OFFERING MEMORANDUM:**

Enclosed  None prepared

**WAS THE ISSUE INSURED OR GUARANTEED?**

No  
 Bond Insurance (I)  
 Letter of Credit (L)  
 State Intercept Program (T)  
 Other (O)

**GUARANTOR:** \_\_\_\_\_

**ENHANCEMENT EXPIRATION DATE:** \_\_\_\_\_

**INDICATE CREDIT RATING:**

(For example, "AAA" or "Aaa")

Not Rated  
 Rated

Standard & Poor's: \_\_\_\_\_

Fitch: \_\_\_\_\_

Moody's: \_\_\_\_\_

Other: \_\_\_\_\_

**REASON FOR NEGOTIATED REFUNDINGS**

If the issue is a negotiated refunding, indicate the reason(s) why the bonds were issued at a private or negotiated versus a competitive sale.

- (1) Timing of the sale provided more flexibility than a public sale
- (2) More cost savings were expected to be realized than a public sale
- (3) More flexibility in debt structure was available than a public sale
- (4) Issuer able to work with participants familiar with issue/r than a public sale
- (5) All of the above
- (6) Other (please specify) \_\_\_\_\_

**IS THE INTEREST ON THE DEBT TAXABLE?**

Under State Law:  Yes (taxable)  No (tax-exempt)

Under Federal Law:  Yes (taxable)  No (tax-exempt)

If the issue is federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax?  Yes  No

**INTEREST TYPE:**

NIC - Int. Cost: \_\_\_\_\_%

TIC - Int. Cost: \_\_\_\_\_%

Variable  Other \_\_\_\_\_ (Index/Rate)

**CAPITAL APPRECIATION BOND:**  Yes  No

**RATE REDUCTION SAVINGS:** \_\_\_\_\_  
(In accordance with Government Code Section 6588.7)

**ISSUANCE COSTS AND FEES:**

A) Management Fee \$ \_\_\_\_\_

B) Total Takedown \$ \_\_\_\_\_

C) Underwriter Expenses \$ \_\_\_\_\_

**Underwriter Spread or Discount** \$ \_\_\_\_\_

D) Bond Counsel \$ \_\_\_\_\_

E) Borrower Counsel (Loan) \$ \_\_\_\_\_

F) Co-Bond Counsel \$ \_\_\_\_\_

G) Disclosure Counsel \$ \_\_\_\_\_

H) Financial Advisor \$ \_\_\_\_\_

I) Rating Agency \$ \_\_\_\_\_

J) Credit Enhancement \$ \_\_\_\_\_

K) Trustee Fee \$ \_\_\_\_\_

L) Placement Agent \$ \_\_\_\_\_

M) Other Expenses \$ \_\_\_\_\_

**Total Issuance Costs** \$ \_\_\_\_\_

ORIGINAL ISSUE PREMIUM \$ \_\_\_\_\_

ORIGINAL ISSUE DISCOUNT \$ \_\_\_\_\_

NET ORIGINAL ISSUE DISCOUNT/PREMIUM \$ \_\_\_\_\_

**Data Field****Definitions. Clarification of Data Fields**

CDIAC #	Enter the assigned CDIAC number for this issue, if known. The CDIAC number can be found on the acknowledgment letter sent at the time the <i>Proposed Report</i> was submitted. If unknown, please contact the Data Unit for assistance.
Name of Issuer	Enter the proper name of the public agency. If this issue is a pooled bond financing ( <b>not including Tax and Revenue Anticipation Note (TRAN ) pool</b> ), a report of final sale must be submitted for each local obligor. For TRAN pools, please provide a list of pool participants and the principal amounts issued by each participant. – <b>Mandatory entry field.</b>
Issue Name	Enter the title of debt issue, if known.
Issue Authorization	Enter the statute governing the issuance of this financing.
Sale Date	Enter the date this debt issue was sold. CDIAC defines <i>sale date</i> as the settlement date.
Dated Date	Date on which interest begins to accrue.
Principal Amount Sold	Enter the total principal amount of this issue.
Sale Type	Indicate <i>Competitive</i> if bonds or other securities were awarded to an underwriter/purchaser through a bidding process. Otherwise, select <i>Negotiated</i> . If the financing is a private placement or direct purchase, select <i>Negotiated</i> .
Private Placement	If bonds or other securities are publicly traded, select <i>No</i> . If the financing does not involve an underwriter and/or the debt is directly purchased by a bank or other institution, select <i>Yes</i> . If the financing is a direct loan, select <i>Yes</i> .
Refunding	Check <i>Yes</i> or <i>No</i> . Indicate the principal amount (including costs) which is for the refunding of existing debt. Refer to

**Data Field**

**Definitions. Clarification of Data Fields**

Section 53583(c)(2)(B) of the California Government Code for additional information required of refunding debt issues sold on a negotiated basis. (See *Reason for Negotiated Refunding* below.)

Issuer Contact	Enter the name and address of contact person at issuing agency. E-mail address is mandatory field. - <b>Mandatory entry field.</b>
County	Enter the name of the county where issuing agency is located. If agency encompasses more than one county (i.e., joint powers agencies, joint school districts), indicate each individual county.
Filing Information	Identify the name of the person responsible for filing the information with the Commission, including their job title, their firm and their firm's role in the financing. The contact person listed will receive further information on the issue. E-mail addresses are mandatory entry fields. - <b>Mandatory entry field.</b>
Invoicing Information	Enter the firm name, address, and the contact person responsible for ensuring the payment of the Commission's issuance fee. Government Code Section 8856 states that the fee is charged to the lead underwriter, the purchaser or the lender of the debt issue. CDIAC staff, however, will forward the invoice to the party identified in this section. Questions about the Commission's fee schedule can be directed to staff at (916) 653-3269. E-mail address is a mandatory entry field. <b>Mandatory entry field.</b>
Participants	List the names of the firms and the location (City/State) of each firm participating in the financing. Although the financing may be handled by co-financial advisor and several underwriting firms, the Commission will list only the lead firm for these categories. Additional members of the financing team may be listed for reporting purposes, but only one member will be identified per issue for each of the categories.
Maturity Schedule	Attach the maturity schedule or refer to the official statement/offering memorandum.

**Data Field****Definitions. Clarification of Data Fields**

Maturity Structure	Indicate the structure of the maturity schedule: Serial, Term (one or more terms), or Combination (serial and term).
Final Maturity Date	Enter the final maturity date for the issue.
First Optional Call Date	First date on which the debt may be redeemed.
Senior/Subordinate Structure	An Authority selling an issue structured as Senior/Subordinate series bonds will be required to file a <i>Yearly Fiscal Status Report</i> for each series.
Official Statement/Offering Memorandum	Mark the appropriate box and enclose the official statement/offering memorandum for this issue, if one was prepared. If none was prepared, refer to Government Code Section 8855(j) for alternative financing documents that must be provided.
Insurance/Guarantor Information	Select <i>No</i> if the issue was not guaranteed or check appropriate box for insurance, letter of credit, state intercept program, or other. Identify the guarantor firm or agency in the guarantor field, and date enhancement expires.
Credit Rating	Indicate <i>Not Rated</i> or the rating or ratings assigned to the debt issue by the credit rating agencies.
Reason for Negotiated Refunding	If a local agency issuer sold refunding bonds at private sale or on a negotiated sale basis, State law requires that the local agency submit a written statement to the Commission stating the reasons why it did not sell the debt issue at competitive sale. Completion of the checklist on the <i>Final Report</i> fulfills this reporting requirement. Clarification of the most common reasons cited for offering the debt issue at

**Data Field**

**Definitions. Clarification of Data Fields**

negotiated rather than public sale follows:

1. *Timing of sale provided more flexibility than a public sale.* This accounts for fluctuations in market value of securities to be escrowed, flexibility of pricing upon short notice; not enough time to complete a public offering, volatile market conditions, control the timing of the sale to market at the most favorable time.
2. *More costs savings were expected to be realized than a public sale.* Includes maximizing savings, cost effective for the agency, decreasing debt service, issuance costs paid by the underwriter.
3. *More flexibility in debt structure was available than a public sale.* Includes reducing maturity of outstanding obligations, eliminates the need for a reserve fund, etc.
4. *Issuer able to work with participants familiar with issue/r than with a public sale.* Includes participants familiar with the complexity of the issue, flexibility in working with agency staff.
5. *All of the above.*
6. *Other.* Specify reason(s) is not listed above.

Tax Status

Check whether State and/or federally tax exempt (**Yes** means taxable, **No** indicates tax-exempt). If the debt issue is federally tax-exempt, indicate (by checking the appropriate box) whether this issue is a preference item and subject to the alternative minimum tax (AMT). – **Mandatory entry field.**

Interest Type

Check the appropriate box that identifies the type(s) of interest in the data field(s). Types include NIC (net interest cost), TIC (true interest cost) variable, or Other (fixed rate loan or based on an index.). **Please provide both NIC and TIC if available.**

Interest Cost

Enter the calculated interest rate representing the interest cost of the debt issue for the life of the debt as a percentage. The underwriter or financial advisor of the financing will have the calculated NIC or TIC rate: This interest rate is usually



**Data Field**

**Definitions. Clarification of Data Fields**

not the coupon rate, unless there is no discount or no premium.

**Please provide both NIC and TIC if available.**

Capital Appreciation Bond

If the financing includes one or more series of bonds whose interest has a capital appreciation structure, select Yes.

**Select Yes even if one or more series of current interest bonds are present on the same issue.**

Rate Reduction Savings

If the financing is a water bond issue pursuant CA AB 850 (chaptered as Govt. Code §6588.7), enter in this field the dollar amount of issuance cost savings achieved by issuing under this statute as opposed to other types of financing. If the financing is not a rate reduction bond, leave this field blank.

Issuance Costs

*Total issuance costs.* Enter total dollar amount of the costs of issuance paid by the issuer for the financing. These costs may include, but are not limited to, fees for bond counsel, financial advisor, trustee, credit enhancement, printing, etc. These costs are often summarized in the official statement.

Discount/Premium

Enter the total dollar amount of the original issue discount (spread) or premium on the financing. This information is generally identified in the official statement. Enter the dollar amount of the net original issue discount/premium, if appropriate.