

CALIFORNIA ALTERNATIVE ENERGY & ADVANCED ~~TRANSPORTATION~~
TRANSPORTATION FINANCING AUTHORITY

Meeting Date: April 28, 2010

*Request for Approval of an Interagency Agreement with the California Pollution Control
Financing Authority*

Prepared by: *Jan McFarland, Executive Director*

Summary. Staff is requesting Board approval of an Interagency Agreement with the California Pollution Control Financing Authority (CPCFA), which will formalize CPCFA's administrative and financial support for CAEATFA in the amount of a \$300,000 loan for the 09/10 and 10/11 fiscal years, to assist CAEATFA as it launches various new Programs.

Background. Recent legislative action has created new statutory mandated programs for CAEATFA, including:

- Chapter 10, Statutes of 2010 (Senate Bill 71 (Padilla)) detailing CAEATFA's specific authority to exclude eligible projects from state and local sales and use tax.
- Senate Bill 77 (Pavley) will create the Property Assessed Clean Energy (PACE) program, authorizes CAEATFA to assist local jurisdictions in financing the installation of distributed generation renewable energy sources or energy or water efficiency improvements meeting eligibility requirements. While SB 77 has not yet been signed by the governor, it is an urgency measure and staff finds it prudent to begin administrative steps to prepare for administering the program.

In addition, SB 71 is an urgency measure that takes effect immediately. CAEATFA has been diligently working with Department of Finance to obtain funding authority and staffing approval. Department of Finance has approved the creation of staff positions and hiring consultants to enable CAEATFA to begin drafting regulations and launching the program. Department of Finance has approved a Provision 1 Deficiency Request for CAEATFA to obtain a loan from CPCFA, and has agreed to a General Fund loan and future budget appropriations to assist CAEATFA in funding permanent positions and begin receiving, processing and approving applications.

As CAEATFA begins to collect revenues in small amounts of application fees and larger amounts of revenue fees, repayment will be required first to the CPCFA loan and then to the loan from the General Fund. The interest rate on the loan will be the Pooled Money Investment Board (PMIB) rate at the time of loan execution.

Although the Executive Director and Deputy Executive Director have authority under resolutions passed by the Board to approve contracts in amounts up to \$300,000.00, the proposed Interagency Agreement of \$300,000, combined with the previous CAEATFA-CPCFA Interagency Agreement in the amount of \$299,500 (expired October 2009) in FY 09/10 totals \$599,500. For legal and policy reasons staff feels that the new interagency agreement should be approved by the CPCFA and CAEATFA boards – given the dollar amounts involved, the limits of the contract delegation resolutions, that this is now the second loan covering the same fiscal year, and the purposes of the loans are similar in nature.

Terms of the Interagency Agreement.

Contract Period: FY 09/10 and 10/11
Contract Amount: Not to exceed \$300,000

Staff Recommendation. Staff recommends approval of the attached Resolution to authorize the Executive Director or Deputy Executive Director to execute an Interagency Agreement with the California Pollution Control Financing Authority in the amount not to exceed \$300,000.

**A RESOLUTION OF THE
CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION
FINANCING AUTHORITY AUTHORIZING APPROVAL TO ENTER INTO AN
INTERAGENCY AGREEMENT WITH THE CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY**

April 28, 2010

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (“Authority”) was created under the provisions of Division 16 (commencing with Section 26000) of the Public Resources Code; and

WHEREAS, Section 26040(a) of the Public Resources Code provides that the Authority is authorized to “receive and utilize grants or loans from the federal government, a public agency, or any other source for carrying out the purposes of (Division 16)” and

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority wishes to enter into an Interagency Agreement with the California Pollution Control Financing Authority for funding to assist in the Authority in properly performing its duties imposed upon it by the Authority’s statutes; and

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) provides financial assistance for projects that use alternative energy sources and technologies, and also provides financial assistance for projects to develop and commercialize advanced transportation technologies that conserve energy, reduce air pollution, and promote economic development and jobs.

WHEREAS, the California Pollution Control Financing Authority has the ability to assist the California Alternative Energy and Advanced Transportation Financing Authority in its mission;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director or Deputy Executive Director of the Authority is hereby authorized to prepare and execute an Interagency Agreement with the California Pollution Control Financing Authority in the amount not to exceed \$300,000;

Further, the Executive Director or Deputy Executive Director shall execute and submit the Interagency Agreement to the Department of General Services for approval.