CAPITAL PROGRAMS & CLIMATE FINANCING AUTHORITY (CPCFA)
BOND FINANCING PROGRAM
Approval Date: August 18, 2026

Request to Approve Updated Uniform Debt Issuance Guidelines for the Tax-Exempt Bond Program

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Background. The CPCFA Board previously approved debt issuance guidelines, which impose certain minimum requirements for financings that are investment grade, i.e. those rated a minimum of BBB- by S&P, Fitch, and/or KBRA, or Baa3 by Moody's, as well as for those that that fall below investment grade, i.e. those unrated or rated below BBB- by S&P, Fitch, and/or KBRA, or below Baa3 by Moody's. These requirements were designed to safeguard investors, protect the Authority, and minimize risk exposure.

The State Treasurer's Office (STO), as Agent for Sale on debt sold by the Authority, recently collaborated with all of the Treasurer's conduit authorities to develop uniform debt issuance guidelines that could be implemented across all authorities (New Debt Issuance Guidelines). The primary objectives in developing the New Debt Issuance Guidelines were to (1) modernize the guidelines to align with current market standards, (2) establish uniformity among all STO's conduit authorities, (3) promote cohesion for STO staff, legal, financing teams, borrowers and investors, (4) provide greater flexibility for debt issuance where appropriate, and (5) impose issuance and sale limitations where appropriate. The proposed updates are generally consistent with existing guidelines imposed by other conduit issuers within the state.

Attached hereto as Exhibit A is a redline showing changes from the Original Debt Issuance Guidelines to the New Debt Issuance Guidelines.

It should be emphasized that in approving the New Debt Issuance Guidelines, the Authority retains sole and absolute discretion to approve exceptions to the guidelines, require additional provisions, or both, on a case-by-case basis. The New Debt Issuance Guidelines will apply to all proposed financings approved subsequent to the adoption of Authority Board Resolution Number 26-01-002

Staff Recommendation. Staff recommends the Board adopt Resolution No. 26-01-002, updating the Authority's Debt Issuance Guidelines.

RESOLUTION OF THE CAPITAL PROGRAMS & CLIMATE FINANCING AUTHORITY AUTHORIZING ADOPTION OF UPDATED UNIFORM DEBT ISSUANCE GUIDELINES FOR THE TAX-EXEMPT BOND PROGRAM

August 18, 2026

WHEREAS, the Capital Programs & Climate Financing Authority ("Authority") was created under the provisions of the Capital Programs & Climate Financing Authority Act (Division 27 (commencing with Section 44500) of the Health and Safety Code); and

WHEREAS, the Authority previously approved policies for the issuance of conduit debt as more particularly set forth, among other things, at Section 6 of its Manual for CPCFA Tax-Exempt Private Activity Bond and Industrial Development Bond Program dated October 1, 2025 (collectively, the "Original Debt Issuance Guidelines"); and

WHEREAS, the Authority collaborated with the State Treasurer's Office ("STO") staff to modernize the Original Debt Issuance Guidelines and, has developed model debt issuance guidelines for use by the Authority and all other debt-issuing authorities the Treasurer chairs; and

WHEREAS, the model debt issuance guidelines, with necessary changes for their application to the Authority, are attached hereto as Exhibit A (the "Debt Issuance Guidelines").

NOW, THEREFORE, BE IT RESOLVED by the Capital Programs & Climate Financing Authority as follows:

Section 1. All previously adopted Original Debt Issuance Guidelines are hereby repealed and replaced by the proposed updated Debt Issuance Guidelines attached hereto as Exhibit A which are hereby adopted.

Section 2. The Board hereby delegates to the Executive Director of the Authority (the "Executive Director") the authority to make procedural and other non-substantive revisions to the Debt Issuance Guidelines. The Executive Director shall report any such exercises of delegated authority to the Authority Board at its next meeting.

Section 3. The Executive Director is hereby authorized and directed to take any and all other actions necessary, convenient, or desirable in the effectuation and application of these Debt Issuance Guidelines.

Section 4. This resolution shall take effect immediately upon its approval.

Exhibit A

CPCFA DEBT ISSUANCE GUIDELINES

These guidelines set forth debt issuance provisions the Capital Programs and Climate Financing Authority *(the "Authority") will require for financing transactions issued through the Authority. In addition to these debt issuance provisions, the Authority will also require each financing to adhere to the Authority's general requirements for debt issuance. Each financing will be reviewed individually and the Authority, in its sole and absolute discretion, may approve exceptions to these guidelines, require additional issuance provisions, or both.*

Ratings by rating agencies other than Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P), Fitch Ratings, Inc. (Fitch), or Kroll Bond Rating Agency, LLC (KBRA) will not be considered for purposes of complying with these guidelines. If debt has more than one rating, the lowest rating shall be considered the relevant rating for purposes of the guidelines.

RATING*	ISSUANCE PROVISIONS
I. Minimum Requirements for Debt Rated BBB- (by S&P, Fitch, and/or KBRA)/Baa3 (by Moody's) or Higher **(collectively, the "Minimum Public Rating")**	• Bonds may be issued and sold through a public offering, ~~-~~private placement or limited public offering with appropriate disclosure~~ or offering materials~~. • Bonds may be issued in $5,000 denominations or such other denominations approved by the Authority. • ~~If Bonds have more than one rating, the lowest rating shall be considered the rating of the Bonds.~~ • ~~Ratings by rating agencies other than S&P, Fitch, Moody's, or KBRA will not be considered for purposes of complying with these guidelines.~~ • Bond documents may permit ~~variable rate~~ bonds to be converted to ~~fixed rate~~other modes ~~bonds~~ without further action by CPCFA.
II. Minimum Requirements for Debt Rated below BBB- (by S&P, Fitch, and/or KBRA)/Baa3 (by Moody's) or Unrated **(collectively, a "Sub-Minimum Rating")**	• Bonds ~~may~~must be sold in either a limited public offering or a private placement. • Bonds ~~may~~must be initially purchased ~~or held only~~ by either (1) Qualified Institutional Buyers as defined under Rule 144A of the Securities Act of 1933 ("QIBs"); or (2) Institutional Accredited Investors as defined under Section 501(a) of Regulation D falling under the following paragraphs of such definition: (1), (2), (3), (7), (8), (9), or (12). ("Qualified AIs"). • Bonds must be purchased in minimum denominations of at least $100,000, and $5,000 in excess thereof. • Each Initial bond purchaser~~s~~ will be required to execute and submit ~~to *[[ID BCA]]*~~ a Sophisticated Investor Letter in form and content satisfactory to CPCFA. • Appropriate Bond documents, including the Indenture and the

	face of each Bond, must contain a provision that prohibits initial sales and subsequent transfers of Bonds unless the initial purchaser or transferee is a QIB or a Qualified AI and in minimum denominations of at least $100,000, and $5,000 in excess thereof. • Initial purchaser restrictions and transfer~~Sales~~ restrictions must be ~~conspicuously noted and described in detail in the appropriate bond documents and on the face of each Bond, and must be~~ prominently displayed and described in detail on the cover of any offering materials/disclosure document.

III. Minimum Requirements for all Debt with a Sub-Minimum Rating purchased on behalf of initial investors by a Bondholder Representative	• The Bondholder Representative must be a QIB and a registered investment advisor responsible for managing at least $1 billion in assets.
	• The Bondholder Representative must identify the number of client accounts (“Represented Account”) that it represents will be purchasing the Bonds.
	• The Bondholder Representative must have complete discretion and authority over the Represented Account to acquire and dispose of investments on behalf of the initial investor(s) it represents.~~for its client who will be the holder of the Bonds~~.
	• ~~If the Bonds have a Sub-Minimum Rating, e~~Each client who will be the holder of the Bonds must meet the applicable purchase guidelines described in Section II and all restrictions set forth in Section II will apply (except as provided in this III).
	• ~~If the bonds have a Sub-Minimum Rating, t~~The Bondholder Representative ~~will be required to~~must execute a Bondholder Representative Letter substantially similar to the Sophisticated Investor Letter that would otherwise be required by initial investors. The Bondholder Representative Letter must be in form and content satisfactory to CPCFA and represent that, among other things:
	  ○ The Bondholder Representative satisfies all requirements contained in this ~~s~~Section III.
	  ~~○ The Bondholder Representative is authorized to act on and has complete discretion over the Represented Account to acquire and dispose of investments on behalf of the initial investors it represents.~~
	  ○ All initial investors that will purchase Bonds are aware of, and agree to comply with, the restrictions associated with the debt, as outlined above, and are aware of the risks associated with such restrictions.