

DEPARTMENT: Administration

BY: Rick Benson
PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:

Adopt a Resolution approving the Certificate of the Seller regarding Components of Proposition 1A Receivables. The Proposition 1A Financing Team has determined that it is possible for "Components" – line item funds or component functions of the local agency to participate in Proposition 1A Securitization Program. These components include: Coulterville Lighting, Hornitos Lighting, Mariposa Lighting, Yosemite West Maintenance District, Don Pedro Sewer Zone, Mariposa Pines Sewer, and the Mariposa Parking District. These components receive funding from property tax revenue and as such will have a portion of their revenue withheld due to the Legislature's passage of the emergency suspension of Proposition 1A. Staff consulted with the Auditor and it was determined that it would be a benefit to these components to also participate in the Proposition 1A Securitization Program.

The components will be held harmless as will the County for any costs or liability associated with the securitization of Proposition 1A funds and will also receive their revenue in two payments. Attached is the amount of funding each component is estimated to receive from the Proposition 1A Securitization Program.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board was presented with an item on October 20, 2009, to approve the County's participation in the Proposition 1A Securitization Program for the portion of revenue received in General Purpose Revenue.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not adopt the Resolution. The components will have a portion of their funding withheld and will need to wait until the State repays this amount, plus interest (two-percent) by June 30, 2013. The loss of funding may have a negative financial effect on the components and it may become necessary for some or all of them to borrow money in order to continue to provide services.

Financial Impact? () Yes (X) No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted In Current FY? () Yes () No () Partially Funded		
Amount in Budget: \$ _____		List Attachments, number pages consecutively _____
Additional Funding Needed: \$ _____		List of components and revenue _____
Source:		Component Sale Certificate _____
Internal Transfer _____		_____
Unanticipated Revenue _____ 4/5's vote		_____
Transfer Between Funds _____ 4/5's vote		_____
Contingency _____ 4/5's vote		_____
() General () Other		_____

CLERK'S USE ONLY:

Res. No. 09-525 Ord. No. _____
Vote – Ayes: 5 Noes: _____
Absent: _____
MW Approved
() Minute Order Attached () No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
 No Opinion
Comments:

CAO: *[Signature]*

Proposition IA Securitization Estimates
Fiscal Year 2009-10

Coulterville Lighting	\$7,222
Hornitos Lighting	\$286
Mariposa Lighting	\$3,516
Yosemite West Maintenance District	\$10,435
Don Pedro Sewer Zone	\$7,780
Mariposa Pines Sewer	\$2,403
Mariposa Parking District	\$410
Total:	\$32,052

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
REVENUE BONDS
(STATE OF CALIFORNIA PROPOSITION 1A RECEIVABLES PROGRAM)
SERIES 2009

CERTIFICATE OF THE SELLER RE:
COMPONENTS OF PROPOSITION 1A RECEIVABLES

The undersigned, an Authorized Officer of the Mariposa County (the "Seller") hereby certifies as follows with respect to that certain Purchase and Sale Agreement, dated as of November 1, 2009 (the "Agreement"), by and between the Seller and the California Statewide Communities Development Authority (the "Purchaser") as follows (all capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Agreement):

1. The components (the "Components") of the Proposition 1A Receivable listed in Schedule I, attached hereto and incorporated herein by reference, belong to the Seller;
2. The Components are listed as they appear on the certification of the County Auditor pursuant to Section 100.06 of the Revenue and Taxation Code;
3. By entering into the Agreement, the Seller is selling the Proposition 1A Receivable, including all Components thereof listed in Schedule I;
4. The Seller acknowledges that the Purchase Price of the Proposition 1A Receivable will be equal to aggregate the Initial Amounts of each Component as each such Component is separately certified by the County Auditor; and
5. The funds or other entities listed as Components in Schedule I (other than the Seller itself) are not independent legal entities with the power to enter into contracts.

Dated: Pricing Date

MARIPOSA COUNTY

By: 

Authorized Officer

ACKNOWLEDGEMENT OF SELLER'S COUNSEL

The undersigned, counsel to the Seller hereby acknowledges and confirms that the statements in paragraphs 1 and 5 of this certificate are legally correct.

By: Steven W. Doublet
Seller's Counsel

SCHEDULE I

COMPONENTS OF PROPOSITION 1A RECEIVABLE

Names of Components
Mariposa County
Coulterville Lighting
Hornitos Lighting
Mariposa Lighting
Yosemite West Maintenance District
Don Pedro Sewer Zone
Mariposa Pines Sewer
Mariposa Parking District

Schedule I

Component Certificate of Mariposa County

DEPARTMENT: Administration

BY: Rick Benson
PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:

Adopt a Resolution approving the form of and authorizing the Purchase and Sale Agreement and related documents with re Proposition 1A receivable from the State; and directing and a in connection therewith. County Administrative staff, Auditc are in agreement that participating in the Proposition 1A Sec best interest of the County. With the passage of the State Bt withholding an estimated \$612,000 in property tax revenue f participating in the Proposition 1A Securitization Program, th revenue from the California Communities with the proceeds from their sale of bonds. California Communities is assuming all of the risks, costs, and obligations associated with the issuance of bonds. Staff also believes that the County will earn greater interest by investing this money ourselves rather than waiting to receive the receivable plus interest (estimated at two-percent by the Department of Finance) from the State either on or before June 30, 2013. While legally required to repay this money by June 30, 2013, it is unknown if the State will be financially able to repay this revenue or if there will be other "legal" maneuvers to delay this repayment.

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09-586*

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The County must approve and return the required documents by November 6, 2009, to participate in the program. If the bonds are not sold by December 31, 2009, then the Proposition 1A Securitization Program becomes null and void, and all documents will be destroyed.

Please see the attached staff report for additional information regarding the Proposition 1A Securitization Program.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

None.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not approve the participation in the Proposition 1A Securitization Program. The County will not receive an estimated \$612,000 in property tax revenue this fiscal year, and it become necessary for the General Fund to "borrow" this funding (Tobacco Fund, General Reserves, etc.).

Financial Impact? () Yes (X) No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted in Current FY? () Yes () No () Partially Funded		
Amount in Budget: \$ _____		List Attachments, number pages consecutively
Additional Funding Needed: \$ _____		Staff Report _____
Source:		Resolution _____
Internal Transfer _____		Purchase and Sale Agreement _____
Unanticipated Revenue _____ 4/5's vote		_____
Transfer Between Funds _____ 4/5's vote		_____
Contingency _____ 4/5's vote		_____
() General () Other		_____

CLERK'S USE ONLY:

Res. No.: 09-506

Ord. No. _____

Vote - Ayes: 4

Noes: _____

Am Absent Bobby

Approved

Minute Order Attached No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____

Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended

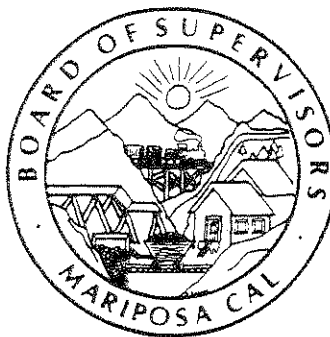
No Opinion

Comments:

CAO: BB

Mariposa County Board of Supervisors

District 1 BRAD ABORN
District 2 LYLE TURPIN
District 3 JANET BIBBY
District 4 KEVIN CANN
District 5 JIM ALLEN



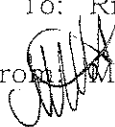
RICHARD J. BENSON
County Administrative Officer

MARGIE WILLIAMS
Clerk of the Board

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www.mariposacounty.org/board

October 20, 2009

To: Rick Benson, County Administrative Officer

From:  Mary Hodson, Deputy County Administrative Officer

Subject: Proposition 1A

Recommended Action

Adopt a Resolution approving the form of and authorizing the execution and delivery of a purchase and sale agreement and related documents with respect to the sale of the seller's Proposition 1A receivable from the State; and directing and authorizing certain other actions in connection therewith.

Background

Proposition 1A Suspension: Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales revenues remain with local government to safeguard this funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concur.

The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 on July 28, 2009, as part of the 2009-10 State Budget package. Under the provision, the State will borrow eight-percent of the amount of property tax revenue apportioned to cities, counties, and special districts. The State will be required to repay those obligations plus interest by June 30, 2013.

The Legislature is currently reviewing a clean-up bill, SB67 which would provide a few critical changes to the enacted legislation, including but not limited to providing for: financing to occur in November 2009; County Auditor certification of amount of Proposition 1A receivable; tax-exempt structure; California Communities as the only issuer; more flexibility on bond structure (interest payments, State payment date and redemption features); sales among local agencies; and revision to the hardship mechanism. While SB67 has to date not been passed and signed into law, California Communities expects that to occur prior to funding the Program. If for any reason SB67 is not enacted and the bonds cannot be sold by December 31, 2009, all approved documents placed in escrow with Transaction Counsel will be of no force and effect, and will be destroyed.

Proposition 1A Securitization Program: Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable local agencies to sell their respective Proposition 1A receivables to California Communities. Currently, SB67 is being considered to clarify specific aspects of ABX4 14 and ABX4 15. Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments – January 15, 2010, and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal one-hundred-percent of the amount of property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If Mariposa County sells its Proposition 1A receivable under the Proposition 1A Securitization Program, California Counties will pledge Mariposa County's sale of its Proposition 1A receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. Mariposa County's sale of its Proposition 1A receivable will be irrevocable. Bondholders will have no recourse to Mariposa County if the State does not make the Proposition 1A repayment.

Proposition 1A Program Sponsor: California Statewide Communities Development Authority ("California Communities") is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. The member agencies of California Communities include approximately 230 cities and 54 counties throughout California

Justification

- Immediate cash.
- Mitigates impact of eight-percent property tax withholding.
- All costs of financing borne by the State of California.
- No obligation on bonds – the County has no obligation with respect to the payment of the bonds, nor any reporting, disclosure, or other compliance obligations associated with the bonds.

Upon delivery of the Proposition 1A Bonds, California Communities will make available to the County its fixed purchase price, which will equal one-hundred-percent of the local agency's Proposition 1A receivable. These funds may be used for any lawful purpose of the County and are not restricted by the Program.

Explanation of Required Forms

Proposed Proposition 1A Receivables Sale Resolution:

- (1) Authorizes the sale of the County's Proposition 1A receivable to California Communities for one-hundred-percent of its receivable.
- (2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents.

- (3) Authorizes and directs any Authorized Officer to send, or to cause to be sent, an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A receivable and instructing the disbursement of the Proposition 1A receivable to the Proposition 1A Bond Trustee.
- (4) Appoints certain County offices and officials as Authorized Officers for purposes of signing documents.
- (5) Authorizes miscellaneous related actions and makes certain ratifications, findings, and determinations required by law.

Proposed Purchase and Sale Agreement:

- (1) Provides for the sale of the Proposition 1A receivable to California Communities.
- (2) Contains representations and warranties of the County to assure California Communities that the Proposition 1A receivable has not been previously sold, is not encumbered, that no litigation or other actions are pending or threatened to disrupt the transaction and that this is an arm's length "true sale" of the Proposition 1A receivable.
- (3) Provides mechanics for payment of Purchase Price.
- (4) Contains other miscellaneous provisions.

Proposed Purchase and Sale Agreement Exhibits:

- (B1) Opinion of Counsel: This is an opinion of the County Counsel covering basic approval of the documents, litigation, and enforceability of the document against the Seller. It will be dated as of the pricing date of the bonds (currently November 10, 2009).
- (B2) Bringdown Opinion: This simply "brings down" the opinions to the closing date (currently expected to be November 19, 2009).
- (C1) Certificate of the Clerk: A certificate of the Clerk confirming that the resolution was duly adopted and is in full force and effect.
- (C2) Seller Certificate: A certification of the Seller dated as of the pricing date confirming that the representations and warranties of the Seller are true as of the pricing date, confirming authority to sign, conforming due approval of the resolution and providing payment instructions.
- (C3) Bill of Sale and Bringdown Certificate: Certificate that brings the certifications of C2 down to the closing date and confirms the sale of the Proposition 1A receivable as of the closing date.
- (D) Irrevocable Instructions to the Controller: Required in order to let the State Controller know that the Proposition 1A receivable has been sold and directing the State to make payment of the receivable to the Trustee on behalf of the Purchaser.
- (E) Escrow Instruction Letter: Instructs Transaction Counsel (Orrick) to hold all documents in escrow until closing, and if closing does not occur by December 31, 2009, for any reason, to destroy all documents.

RESOLUTION NO. 09-506

**BOARD OF SUPERVISORS
OF THE
MARIPOSA COUNTY**

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the Mariposa County, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this Board of Supervisors (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely

from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by Mariposa County to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the Board of Supervisors of the Mariposa County hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this Board of Supervisors hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the Board of Supervisors is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written Instruction") notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this Board of Supervisors, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The Board of Supervisors acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Supervisors of the Mariposa County, State of California, this 20th day of October, 2009, by the following vote:

AYES: ABORN, TURPIN, CANN, ALLEN

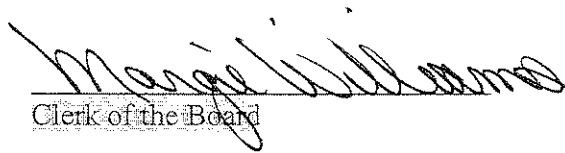
NOES: NONE

ABSENT: BIBBY



Chairman

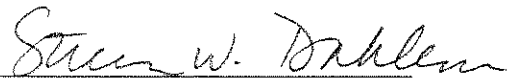
Attest:



Clerk of the Board

Approved as to form :

SELLER'S COUNSEL

By 

Dated: 10-23-09

APPENDIX A

MARIPOSA COUNTY

Authorized Officers: Richard J. Benson, County Administrative Officer

Keith Williams, Treasurer/Tax Collector

Christopher Ebie, Auditor

any designee of any of them, as appointed in a written certificate of such Authorized Officer delivered to the Trustee.