

LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)

On Monday February 24, 2025 at 3:00 PM

All LFFA Board Meetings are held in-person and open to the public. Members of the public may also view the meetings via the alternative methods provided below as a courtesy. Please note that if the Zoom or YouTube connection malfunctions for any reason, and no Board Members are attending via teleconference, the meeting will continue in-person without remote access.

Public Viewing:

The meeting will be broadcast through the Santa Cruz Libraries YouTube channel <https://www.youtube.com/user/SantaCruzPL> which you can access through the Santa Cruz Libraries website by scrolling to the bottom of the page and clicking on the YouTube icon. The meetings will be recorded and posted for viewing after the meetings on the Santa Cruz Public Libraries website.

Public Participation:

Members of the public may provide public comments to the Board in-person during the meeting for any item on the agenda or within the subject matter jurisdiction of the Board. Any public comment for a specific item on the agenda must be received prior to the close of the public comment period for that item.

Any person who is not able to attend in-person may submit a written comment as indicated below. Submitted written public comments will be included as part of the record of the meeting, either in Written Correspondence or in the Minutes, depending on when received by staff. Please be aware that the Board will not accept comments via Zoom nor read aloud written comments during the meeting.

How to comment on agenda items via email before the meeting begins:

Members of the public may provide public comment by sending an email to the Library Board Clerk at clerk@santacruzpl.org.

- Identify the agenda item number in the subject line of the email.
- Emailed comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time.
- All correspondences and written comments received prior to 12:00 p.m. on the Wednesday preceding a Board Meeting will be distributed to Board members to review prior to the meeting with the published Agenda packet. Written comments submitted after the Agenda and packet have been published will be distributed as Additional Materials at the commencement of the meeting.

Need more information? Contact clerk's office at 831-427-7700 ext. 7618.

Chair Matt Huffaker
Vice Chair Mali LaGoe
Board Member Nicole Coburn
Board Member Jamie Goldstein



**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)
BOARD MEETING AGENDA**

SPECIAL MEETING

MONDAY FEBRUARY 24, 2025

3:00 P.M.

**In-Person Location:
County Building
Fifth Floor Redwood Room (conference room)
701 Ocean Street, Santa Cruz, CA 95060**

PLEASE NOTE:

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment please call the Library Administration Office at (831) 427-7706 at least five days in advance so that we can arrange for such special assistance, or email library_admin@santacruzpl.org.

Agenda and Agenda Packet Materials: The LFFA agendas and the complete agenda packet containing public records, which are not exempt from disclosure pursuant to the California Public Records Act, are available for review on the website: www.santacruzpl.org and at Library Headquarters, located at 117 Union Street, Santa Cruz, California, during normal business hours.

Agenda Materials Submitted after Publication of the Agenda Packet: Pursuant to Government Code §54957.5, public records related to an open session agenda item submitted after distribution of the agenda packet are available at the time they are distributed or made available to the legislative body on the website at: www.santacruzpl.org and are also available for public inspection at Library Headquarters, 117 Union Street Santa Cruz, California, during normal business hours, and at the LFFA meeting.

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1. CALL TO ORDER / ROLL CALL

Board Members Matt Huffaker, Mali LaGoe, Jamie Goldstein and Nicole Coburn

2. PUBLIC COMMENT

Any member of the community may address the Board during this Public Comment period on any matter included on today's agenda or on any topic not on today's agenda but within the subject matter jurisdiction of the Board. Please note, however, that for non-agendized items, the Board is not able to undertake extended discussion or take any action today without notice. Such items may be referred to staff for appropriate action, such as individual follow-up or placement on a future agenda. If you intend to address a subject or item that is on the Agenda, please hold your comments until that item is before the Board so that we may properly address all comments on that subject at the same time. In general, 3 minutes will be permitted per speaker during Public Comment; A MAXIMUM of 30 MINUTES is set aside for Public Comment at this time.

3. GENERAL BUSINESS

Member Allocations

Staff Recommendation: Approve a Second Supplement to Amended and Restated Joint Exercise of Powers Agreement increasing the maximum distribution to the parties by \$30,000,000, in the same percentage as the existing distribution.

4. SCHEDULED UPCOMING MEETINGS

May 1, 2025	Scotts Valley Branch Library	Anticipated Upcoming Agenda Items
9:00 am	251 Kings Village Road, Scotts Valley, CA 95066	<ul style="list-style-type: none">Quarterly Reports

5. ADJOURNMENT

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday May 1, 2025 at 9:00 a.m. at the Scotts Valley Branch Library, 251 Kings Village Road, Scotts Valley, CA 95066

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Chair Matt Huffaker
 Vice Chair Mali LaGoe
 Board Member Nicole Coburn
 Board Member Jamie Goldstein



STAFF REPORT

AGENDA: February 24, 2025
 TO: Libraries Facilities Financing Authority Board
 FROM: Edith Driscoll, Treasurer
 RE: Member Allocations

RECOMMENDATION

Approve a Second Supplement to Amended and Restated Joint Exercise of Powers Agreement increasing the maximum distribution to the parties by \$30,000,000, in the same percentage as the existing distribution.

DISCUSSION

The Santa Cruz Libraries Facilities Financing Authority Community Facilities District (CFD), was formed for the purpose of levying a special tax to fund Library Facilities of each of the members. The CFD began levying the special tax in 2016-17.

Pursuant to the Amended and Restated Joint Exercise of Powers Agreement (“JPA”) the allocation of funding among members is \$77,500,000. Each member receives their share of annual net special tax revenues as a funding source after the allocation of a prorata share of debt service relative to the bond proceeds that were raised for each member. After the 3rd series of special tax bonds being considered for the City of Santa Cruz’s downtown library project, the members will have received:

Member	Allocation	Received to Date	Proposed 3rd Series	Balance to be Funded	Total Allocation
County of Santa Cruz	41.94%	\$32,500,000	\$ -	\$ -	\$32,500,000
City of Scotts Valley	4.84	3,574,536	-	175,464	3,750,000
City of Capitola	12.90	10,000,000	-	-	10,000,000
City of Santa Cruz	40.32	18,359,769	12,890,231	-	31,250,000
Total	100.00%	\$64,434,305	\$12,890,231	\$175,464	\$77,500,000

The Authority’s municipal advisor has prepared a projection of special taxes to remain after the issuance of the 3rd series of special tax bonds.

To summarize, the projections show an approximate \$28 million in available special tax over 21 years after the 3rd series of bonds debt service is paid, or approximately \$1.3 million annually. If the cap on the total allocation is increased, this annual special tax can be distributed to members to use for pay-go capital projects.

After the issuance of the 3rd series of bonds, approximately \$14 million will remain of the original bond authorization. Based on today's interest rates, the remaining time available to collect the special taxes and the required debt service coverage, the CFD could raise a maximum of \$11 million. After paying debt service on this additional series of bonds (assuming the maximum issuance), there would be \$440,000 in remaining annual surplus to distribute to members for pay-go projects.

Due to funding available, staff recommends that the total allocation among members be increased by \$30 million, in the same percentages as the existing allocation. The allocation proposed is as follows:

Member	Allocation	Original Allocation	Increase	Revised Allocation
County of Santa Cruz	41.94%	\$32,500,000	\$12,582,000	\$45,082,000
City of Scotts Valley	4.84	3,750,000	1,452,000	5,202,000
City of Capitola	12.90	10,000,000	3,870,000	13,870,000
City of Santa Cruz	40.32	31,250,000	12,096,000	43,346,000
Total	100.00%	\$77,500,000	\$30,000,000	\$107,500,000

These modifications to the distribution table require an amendment to the existing Joint Exercise of Powers Agreement, which must be approved by the Capitola, Santa Cruz and Scotts Valley City Councils, and the Santa Cruz County Board of Supervisors. Accordingly, staff worked with bond counsel to prepare the attached Second Supplement to the Amended and Restated Joint Exercise of Powers Agreement, which provides that special tax revenues and net bond proceeds are to be distributed to the jurisdictions in the modified maximum amounts specified above using the percentages specified above below.

As with the original allocation, the total can be funded with a combination of bond proceeds and special taxes. An updated Bond Expenditure Plan (referenced in the Second Supplement) that includes issuance of additional bonds for the City of Santa Cruz as a result of the revised allocation is attached.

Attachments:

Second Supplement to Amended and Restated Joint Exercise of Powers Agreement

SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY

**SECOND SUPPLEMENT TO
AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT**

This SECOND SUPPLEMENT TO AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT (this "Second Supplement"), dated _____, 2025, is entered into by and among the CITY OF SANTA CRUZ, a charter city and municipal corporation duly organized and existing under the Constitution and laws of the State of California, the CITY OF SCOTTS VALLEY, a general law city and municipal corporation duly organized and existing under the laws of the State of California, the CITY OF CAPITOLA, a general law city and municipal corporation duly organized and existing under the laws of the State of California, and the COUNTY OF SANTA CRUZ, a California county duly organized and existing under the laws of the State of California.

BACKGROUND:

1 The Cities and the County previously entered into an Amended and Restated Joint Exercise of Powers Agreement dated February 28, 2017 (the "Original Agreement"), which governs the joint powers authority known as the Santa Cruz Libraries Facilities Financing Authority (the "Authority"), whose members are the Cities and the County, for the purpose of financing the acquisition, construction and improvement of public library facilities (the "Public Library Improvements") through the formation of a community facilities district under the Mello-Roos Community Facilities Act of 1982, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53311 of said Code (the "Mello-Roos Act") and the authorization and issuance of bonds under the Mello-Roos Act.

2. The Cities and the County previously amended the Original Agreement to modify certain terms regarding the distribution of Special Taxes and Net Bond Proceeds through the execution of a First Supplement to Amended and Restated Joint Exercise of Powers Agreement dated September 25, 2018 (the "First Supplement" and, together with the Original Agreement, the "First Amended Agreement").

3. The Cities and the County desire to further amend the First Amended Agreement to further modify certain terms regarding the distribution of Special Taxes and Net Bond Proceeds, as set forth in this Second Supplement.

4. This Second Supplement is entered into in accordance with Section 14 of the First Amended Agreement. Capitalized terms used but not defined in this Second Supplement have the meanings set forth in the First Amended Agreement.

AGREEMENT:

For and in consideration of the premises and the material covenants hereinafter contained, the Parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Amendment of First Amended Agreement.* The First Amended Agreement is hereby amended as follows:

(a) Section 2(b)(ii). Paragraph of (b)(ii) of Section 2 of the First Amended Agreement is hereby deleted and amended in its entirety by the following:

(ii) Maximum Distributions to Parties. The Facilities Authority shall distribute the Special Taxes and Net Bond Proceeds to each of the Parties in the maximum amounts specified below using the percentages specified below (adjusted for rounding) in order to undertake and complete the construction of the Public Library Improvements:

Member	Maximum Amount	Percentage
City of Capitola	\$13,870,000	12.90%
City of Santa Cruz	\$43,346,000	40.32%
City of Scotts Valley	\$5,202,000	4.84%
County of Santa Cruz	\$45,082,000	41.94%
Total	\$107,500,000	100.00%

The distribution of Special Taxes and Net Bond Proceeds among the Parties shall be governed by the Bond Expenditure Plan as adopted and amended by the unanimous affirmative vote of all of the Directors under Section 2(b)(i). Changes to the maximum amounts shown in the table above shall require an amendment to this Agreement executed by all of the Members, in accordance with the further requirements set forth in Section 14, and shall be subject to the requirements of the Mello-Roos Act and the Joint Powers Act.

(b) Section 2(b)(iii). Paragraph of (b)(iii) of Section 2 of the First Amended Agreement is hereby deleted and amended in its entirety by the following:

(iii) Distribution of Special Tax Proceeds. Prior to issuance of Bonds, any net Special Tax collected in excess of amounts needed to administer the CFD shall be distributed twice annually in January and June, or as soon as practical upon receipt (but in no event less than twice annually), to each of the Parties in the percentages shown above.

After the issuance of Bonds, any net Special Tax collected in excess of amounts needed to pay each Party's allocable share of debt service on Bonds and to administer the Bonds and the CFD shall be distributed annually on September 2 to each of the Parties in accordance with the Bond Expenditure Plan.

When the total of net Special Taxes and Net Bond Proceeds distributed to the Parties equals the maximum amounts specified in Section 2 (ii) and a total of \$107,500,000, further distribution of net Special Taxes to each of the Parties shall be made in accordance with the Bond Expenditure Plan subject to the unanimous affirmative vote of all of the Directors.

Each of the Parties shall deposit or cause to be deposited all Special Tax proceeds it receives into a separate account to track revenues, expenses and fund balance, which will also be subject to an independent audit every year during the term of this Agreement.

Each of the Parties shall spend all Special Tax proceeds in accordance with the JCFA, and will be required to execute and deliver certifications and make representations and covenants regarding the administration and expenditure of net Special Taxes, as may be required by bond counsel in order to ensure compliance with applicable provisions of Mello-Roos Act.

SECTION 2. *Authority.* This Second Supplement is being executed pursuant to and in accordance with Section 14 of the First Amended Agreement.

SECTION 3. *First Amended Agreement Continues in Effect.* Except as amended and supplemented by this Second Supplement, the First Amended Agreement shall remain in full force and effect.

SECTION 4. *Effective Date.* This Second Supplement shall become effective upon the date hereof.

Approved As To Form:

Jones Hall, A Professional Law Corporation

Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Second Supplement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

CITY OF SANTA CRUZ

By: _____

Attest:

CITY OF SCOTTS VALLEY

By: _____

Attest:

CITY OF CAPITOLA

By: _____

Attest:

COUNTY OF SANTA CRUZ

By: _____

Attest:

Santa Cruz Libraries Facilities Financing Authority
Bond Expenditure Plan - 2025 Amendment

FY	Net Tax After Admin	Debt Service After \$77.5M Allocation		FY 25 Special Tax	Surplus Before	Share of Surplus					
		2017 & 2020 Bonds		Distribution to Date*	Increased Allocation	County			Santa Cruz		
		2025 Bonds				41.94%	Capitola 12.90%	Scotts Valley 4.84%	Gross Share 40.32%	2025 Debt Service	Net Share
2025	4,400,804	(2,215,031)	(267,000)	(1,622,832)	295,941	124,118	38,176	14,324	119,323	(92,000)	27,323
2026	4,400,804	(2,220,281)	(894,000)	-	1,286,523	539,568	165,961	62,268	518,726	(331,000)	187,726
2027	4,400,804	(2,217,531)	(898,000)	-	1,285,273	539,043	165,800	62,207	518,222	(330,000)	188,222
2028	4,400,804	(2,217,031)	(896,000)	-	1,287,773	540,092	166,123	62,328	519,230	(328,000)	191,230
2029	4,400,804	(2,215,181)	(898,000)	-	1,287,623	540,029	166,103	62,321	519,169	(325,000)	194,169
2030	4,400,804	(2,215,831)	(894,000)	-	1,290,973	541,434	166,535	62,483	520,520	(328,000)	192,520
2031	4,400,804	(2,220,431)	(894,000)	-	1,286,373	539,505	165,942	62,260	518,665	(320,000)	198,665
2032	4,400,804	(2,217,081)	(898,000)	-	1,285,723	539,232	165,858	62,229	518,403	(322,000)	196,403
2033	4,400,804	(2,219,681)	(896,000)	-	1,285,123	538,980	165,781	62,200	518,161	(318,000)	200,161
2034	4,400,804	(2,216,231)	(898,000)	-	1,286,573	539,589	165,968	62,270	518,746	(320,000)	198,746
2035	4,400,804	(2,215,863)	(894,000)	-	1,290,941	541,421	166,531	62,482	520,508	(315,000)	205,508
2036	4,400,804	(2,218,413)	(894,000)	-	1,288,391	540,351	166,202	62,358	519,479	(316,000)	203,479
2037	4,400,804	(2,213,669)	(897,000)	-	1,290,135	541,083	166,427	62,443	520,182	(316,000)	204,182
2038	4,400,804	(2,220,688)	(894,000)	-	1,286,116	539,397	165,909	62,248	518,562	(310,000)	208,562
2039	4,400,804	(2,216,075)	(895,000)	-	1,289,729	540,912	166,375	62,423	520,019	(310,000)	210,019
2040	4,400,804	(2,215,113)	(894,000)	-	1,291,691	541,735	166,628	62,518	520,810	(308,000)	212,810
2041	4,400,804	(2,216,631)	(893,000)	-	1,291,173	541,518	166,561	62,493	520,601	(304,000)	216,601
2042	4,400,804	(2,215,213)	(897,000)	-	1,288,591	540,435	166,228	62,368	519,560	(304,000)	215,560
2043	4,400,804	(2,217,094)	(894,000)	-	1,289,710	540,904	166,373	62,422	520,011	(299,000)	221,011
2044	4,400,804	(2,212,100)	(895,000)	-	1,293,704	542,579	166,888	62,615	521,621	(299,000)	222,621
2045	4,400,804	(2,214,250)	(894,000)	-	1,292,554	542,097	166,739	62,560	521,158	(299,000)	222,158
2046	4,400,804	(999,375)	(2,028,000)	-	1,373,429	576,016	177,172	66,474	553,767	(328,000)	225,767

*Includes \$175,464 to SV