

**PERALTA COMMUNITY COLLEGE DISTRICT**  
**Board of Trustees Agenda Report**  
**For the Trustee Meeting Date of March 23, 2010**

ITEM # 16

**ITEM TITLE:**

Consider Approval of Resolution 10/11-10, Authorizing an Application to the California Debt Limit Allocation Committee (CDLAC) to Permit the Issuance of Qualified Energy Conservation Bonds

**SPECIFIC BOARD ACTION REQUESTED:**

Approval is requested for Resolution 10/11-10, which will authorize an application to the California Debt Limit Allocation Committee (CDLAC) to permit the issuance of Qualified Energy Conservation Bonds for energy savings related projects for the District.

**ITEM SUMMARY:**

The deadline to submit this application is March 26, 2010 to CDLAC. For the District to participate in this request, the resolution needs to be approved at this Board meeting.

The Department of General Services intends to seek an allocation of \$16,000,000 for the following projects:

- \$6.0 million for solar PV carports at the College of Alameda
- \$10.0 million for roof mounted solar PV at Laney College

The solar photovoltaic projects will be developed using a competitive process.

**BACKGROUND/ANALYSIS:**

The American Recovery and Reinvestment Act (ARRA) of 2009 authorized \$381 million of Qualified Energy Conservation Bonds (QECBs) in California. Like the Clean Renewable Energy Bonds (CREBs) for which Peralta won an allocation in 2009 for \$5,000,000, the interest on QECBs is largely subsidized by the IRS. The bonds provide authority for government agencies to issue near interest-free bonds to support a broad range of "green" expenditures including: implementing green community programs, grants to support research in emerging energy technologies, rail and bus facilities, public education programs, renewable energy facilities, and demonstration projects for emerging energy technologies.

QECBs were originally allocated by formula to "Large Local Governments" (LLGs), which are cities and counties with populations of 100,000 or larger. The QECB allocation could be used by the LLG, sub-allocated to "Eligible Issuers" within that LLG, or waived back to the State for reallocation. On January 31, 2010, CDLAC had reclaimed \$192 million in unplanned and waived allocations. PCCD is seeking a portion of these reclaimed allocations.

A final round of applications will be due on May 28, 2010. CDLAC is looking for shovel-ready projects, especially solar photovoltaic projects and energy conservation projects

with a development timeline. QECCBs may also be issued for capital expenditures incurred for the purposes of:

- Reducing energy consumption in publicly-owned buildings by at least 20%
- Any qualified wind, closed-loop biomass, open-loop biomass, geothermal or solar energy, small irrigation power, landfill gas, trash, and marine or hydrokinetic renewable energy facility
- Demonstration projects designed to promote the commercialization of:
  - Green building technology
  - Technologies to reduce peak use of electricity
  - Public education campaigns to promote energy efficiency

**ALTERNATIVES/OPTIONS:**

Not applicable.

**EVALUATION AND RECOMMENDED ACTION:**

Approval is recommended for Resolution 10/11-10, which will authorize an application to the California Debt Limit Allocation Committee (CDLAC) to permit the issuance of Qualified Energy Conservation Bonds for energy savings related projects for the District.

**SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):**

Submittal of this resolution is a no-cost item and does not financially obligate the District in any way. If the bond issuance is approved, the District would have up to three years to issue the interest-free bonds. The \$16,000,000 appropriation from Measure A that was previously authorized by the Board for solar energy projects will not be exceeded.

**HER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):**

YES \_\_\_\_\_ No  X

**COMMENTS:**

All Board recommended contracts are subject to negotiation and execution by the Chancellor.

**WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?**

Vice Chancellor Ikhara

**DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? YES \_\_\_ NO  X**

**IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.**

**PLEASE ACQUIRE SIGNATURES IN THIS ORDER:**

**DOCUMENT PREPARED BY:**

Prepared by: Sadiq B. Ikharo Date: 3-16-10  
Dr. Sadiq B. Ikharo  
Vice Chancellor for General Services

**DOCUMENT PRESENTED BY:**

Sadiq B. Ikharo Date: 3-16-10  
Dr. Sadiq B. Ikharo  
Vice Chancellor for General Services

**FINANCE DEPARTMENT REVIEW**

Finance review required  Finance review *not* required

If Finance review is required, determination is:  Approved  Not Approved

If not approved, please give reason: \_\_\_\_\_

Signature: [Signature] Date: 3/23/10  
For Finance and Administration

**GENERAL COUNSEL (Legality and Format/adherence to Education Codes):**

Legal review required  Legal review *not* required

If Legal review is required, determination is:  Approved  Not Approved

Signature: [Signature] Date: 3/23/10  
Thuy T. Nguyen, General Counsel

**CHANCELLOR'S OFFICE APPROVAL**

Approved, and Place on Agenda  Not Approved, but Place on Agenda

Signature: [Signature] Date: 3/18/10  
Elihu Harris, Chancellor

**PERALTA COMMUNITY COLLEGE DISTRICT  
RESOLUTION 10/11-10**

**RESOLUTION AUTHORIZING AN APPLICATION TO THE  
CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE TO PERMIT THE  
ISSUANCE OF QUALIFIED ENERGY CONSERVATION BONDS**

**WHEREAS**, Section 301(a) of Tax Extenders and Alternative Minimum Tax Relief Act of 2008, Division C of Pub. L. 110-343. 122 Stat. 1365 (2008) (the "Act") added new § 54D, and amended § 54A(d) to the Internal Revenue Code of 1986, as amended (the "Code"), providing certain program provisions for Qualified Energy Conservation Bonds ("QECBs"); and

**WHEREAS**, QECBs were originally allocated to certain "large local governments" who have since waived their allocations or had their allocations deemed waived by the State of California (the "State"),

**WHEREAS**, the State is now administering a competitive reallocation process for the QECBs through the California Debt Limit Allocation Committee ("CDLAC"); and

**WHEREAS**, on January 27, 2010, CDLAC adopted official procedures for implementing the allocation of the State ceiling on QECBs (the "CDLAC Procedures"); and

**WHEREAS**, the Peralta Community College District (the "District") has determined, provided certain conditions are met, to finance, construct, own and operate various renewable energy generation, energy efficiency, and energy conservation projects to reduce energy demand and/or to provide clean renewable energy for consumption at various District sites (the "Renewable Energy and Energy Conservation Project"); and

**WHEREAS**, the District has determined that the Renewable Energy and Energy Conservation Project is a qualifying project under § 54D(f) of the Code and the CDLAC Procedures; and

**WHEREAS**, the District is a qualified issuer of QECBs pursuant to the CDLAC Procedures and the Code, in that the District is a political subdivision of the State as defined for purposes of § 103 of the Code; and

**WHEREAS**, the District desires to obtain an allocation of QECBs from CDLAC for the purposes of financing up to 100 percent of the Renewable Energy and Energy Conservation Project, to be wholly owned by the District; and

**WHEREAS**, the District is already in the process of developing a Request for Qualified Proposal for the solar photovoltaic projects identified in the set of Renewable Energy and Energy Conservation Projects and will be prepared to negotiate a contract upon securing the issuance of the requested QECBs and other funding sources of the District.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Board of Trustees of the Peralta Community College District as follows:

**Section 1.** The District's Vice Chancellor for General Services ("District Officer") is hereby authorized to submit an application to CDLAC for an allocation of the QECCBs in an amount not to exceed \$16 million, for application toward the issuance of the QECCBs by the District to finance 100 percent of the Renewable Energy and Energy Conservation Project, without provision for any private activity use of QECCB proceeds.

**Section 2.** The District Officer is hereby directed to proceed with preparations to determine final design, procurement costs, plan of construction and plan of financing for the Renewable Energy and Energy Conservation Project, bringing project contracts and a self-funding analysis back to the Board for consideration following award of QECCB allocation, if any, by CDLAC to the District.

**Section 3.** The District Officer, the financial advisor to the District, or his or her designee, with the advice of legal counsel, is hereby authorized, on behalf of the District, to submit all such other documents as may be required to CDLAC pursuant to the CDLAC Procedures and/or other provisions of the Code, or State government code. The District Officer and the financial advisor are also authorized to take any and all actions as may be necessary or appropriate in connection with securing the participation of the County of Alameda and/or the City of Oakland or an agency or financing authority of the State which would be deemed a qualified applicant pursuant to the CDLAC Procedures.

PASSED AND ADOPTED at a regular meeting of the Board of Trustees of the Peralta Community College District on March 23, 2010, by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Secretary of the Board of Trustees  
Peralta Community College District  
Alameda County  
State of California