



AGENDA

Board of Library Trustees
Community Facilities District (CFD) Committee | Altadena Library District
Virtual – Zoom – August 11, 2021 – 3:00 p.m.

IMPORTANT NOTICE REGARDING AUGUST 11, 2021 CFD COMMITTEE MEETING

This meeting will be conducted utilizing teleconference and electronic means consistent with the **State of California Executive Order N-29-20** dated March 17, 2020, regarding the COVID-19 pandemic. The live stream of the meeting may be viewed by visiting the Altadena Library District's YouTube channel at the following URL <https://www.youtube.com/c/AltadenaLibrary>

SUBMISSION OF PUBLIC COMMENT: For those wishing to make Public Comments at the August 11, 2021 Community Facilities District (CFD) Committee Meeting, please submit your comments by email or electronically to be read aloud at the meeting. If multiple comments are submitted, only the first comment will be read aloud during the meeting. Email and Electronic Comments submitted online will be accepted up to two (2) hours prior to the start of the meeting. Email comments can be submitted to hello@altadenalibrary.org. Electronic Comments may also be submitted online at www.altadenalibrary.org/publiccomment.

Email and Electronic Comments will be submitted to the standing committee and shall become part of the record of the meeting.

If you wish to make public comment during the live meeting, you can call in to (626) 798-0833 ext. 103, during the corresponding item of the agenda. For public comment on any non-agenda item, please plan to call at 4:00 p.m.

PUBLIC REQUESTS FOR DOCUMENTS: The District provides a public inspection copy of all materials included in the agenda packet distributed to the Board members. Members of the public who wish to obtain a copy of any document may do so by completing a Request for Public Document form and submitting it to Administration who will arrange for the documents to be copied at a charge of 15¢ per page. Request forms are available at the District Administration offices.

In compliance with the Americans with Disability Act, if you need special assistance to participate in the meeting, please contact Library Administration at (626) 798-0833 x 103 at least 48 hours prior to the meeting so the Altadena Library District may make reasonable arrangements to ensure accessibility to the meeting.

I. Call to Order

II. Open Session

- a. Roll Call
- b. Approval/Reordering of Agenda Items
- c. Adoption of Agenda
- d. Public Comment on Non-Agenda Items

III. Consent Calendar

The Community Facilities District (CFD) Committee hereby approves the items and

recommended actions in the Consent Calendar listed below:

- a. Approval of Minutes – Special Meeting held May 25, 2021 [Pages 3-5](#)
- b. Approval of Minutes – Special Meeting held June 15, 2021 [Pages 6-8](#)

IV. Special Presentation

- a. Bond Issuance Presentation – Doug Anderson - Urban Futures, Inc. [Pages 9-17](#)

V. Unfinished Business

- a. None

VI. New Business

- a. Review and Approval of Resolution to Adopt a Debt Policy and Disclosure and Tax Policies and Procedures and accompanying materials for the Altadena Library District **(Action)** [Pages 18-35](#)

VII. Announcements & Planning

- a. Proposed Future Agenda Items

VIII. Adjournment

- a. Adjourn



MINUTES – SPECIAL MEETING

Board of Library Trustees
Community Facilities District (CFD) Committee | Altadena Library District
Virtual – Zoom – May 25, 2021 – 4:00 p.m.

IMPORTANT NOTICE REGARDING MAY 25, 2021 CFD COMMITTEE SPECIAL MEETING

This meeting was conducted utilizing teleconference and electronic means consistent with the **State of California Executive Order N-29-20** dated March 17, 2020, regarding the COVID-19 pandemic. The live stream of the meeting may be viewed by visiting the Altadena Library District's YouTube channel at the following URL <https://www.youtube.com/c/AltadenaLibrary>

SUBMISSION OF PUBLIC COMMENT: For those wishing to make Public Comments at the May 25, 2021 Community Facilities District (CFD) Committee Special Meeting, please submit your comments by email or electronically to be read aloud at the meeting. If multiple comments are submitted, only the first comment will be read aloud during the meeting. Email and Electronic Comments submitted online will be accepted up to two (2) hours prior to the start of the meeting. Email comments can be submitted to hello@altadenalibrary.org. Electronic Comments may also be submitted online at www.altadenalibrary.org/publiccomment.

Email and Electronic Comments will be submitted to the standing committee and shall become part of the record of the meeting.

If you wish to make public comment during the live meeting, you can call in to (626) 798-0833 ext. 103, during the corresponding item of the agenda. For public comment on any non-agenda item, please plan to call at 4:00 p.m.

PUBLIC REQUESTS FOR DOCUMENTS: The District provides a public inspection copy of all materials included in the agenda packet distributed to the Board members. Members of the public who wish to obtain a copy of any document may do so by completing a Request for Public Document form and submitting it to Administration who will arrange for the documents to be copied at a charge of 15¢ per page. Request forms are available at the District Administration offices.

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I. Call to Order

Trustee Terry Andruess called the meeting to order at 4:04 pm.

II. Open Session

a. Roll Call

Trustee Andruess called roll call. Trustee Cervantes, Member Lyford, and Member Kenne, responded as present. Quorum was confirmed.

b. Approval/Reordering of Agenda Items

No adjustments were made.

- c. Adoption of Agenda
Moved by Trustee Lyford to adopt the Agenda.
Seconded by Member Kenne.
Roll Call Vote:
 - Trustee Cervantes: Aye**
 - Member Kenne: Aye**
 - Member Lyford: Aye**
 - Member Vitale: Not Present**
 - Trustee Andrues: Aye****Motion passed.**

- d. Public Comment on Non-Agenda Items
No public comment was made.

III. **Consent Calendar**

The Community Facilities District (CFD) Committee hereby approves the items and recommended actions in the Consent Calendar listed below:

- a. None

IV. **Unfinished Business**

- a. Discussion of Bond Underwriting Services RFP Review Process **(Informational)**
Trustee Andrues introduced the purpose of the special meeting and allowed District Director Nikki Winslow to provide an overview of the agenda item. The Bond Underwriting Services RFP was posted with Board approval on BidNet. The RFP will close on June 8th. The committee reviewed the scoring criteria for the Bond Underwriting Services RFP and updated in real-time. After the committee agreed on the evaluation criteria, they discussed the weighted point distribution with a particular emphasis on the cost of the proposal. The committee came to a consensus and provided direction to the District to set-up a scoring team.
- b. Discussion of CFD Administration Services RFP Review Process **(Informational)**
Director Winslow provided an overview of the agenda item. The CFD Administration Services RFP was posted with Board approval on BidNet. The RFP will close on June 8th. The committee reviewed the scoring criteria for the CFD Administration Services RFP and updated in real-time. The committee agreed on the criteria and total points per criteria and proceed to discuss the scoring team composition.
- c. Discussion of June 10, 2021 Special Board of Trustees Meeting with CFD and Ad-Hoc Facilities Committees **(Informational)**
Director Winslow mentioned that the Special Board of Trustees Meeting scheduled for June 10th will be an introductory meeting with the groups and stakeholders in the Capital Projects and Bond Issuance processes for the Community Facilities District. The committee suggested a couple of agenda items and discussed the need for transparency and communication in the bond issuance and capital projects processes.

V. **New Business**

- a. None

VI. **Announcements & Planning**

- a. Proposed Future Agenda Items

Director Winslow mentioned that the committee include the development of guiding principles or bylaws at a future meeting.

VII. Adjournment

a. Adjourn

Meeting adjourned at 5:05 pm.



MINUTES – SPECIAL MEETING

Board of Library Trustees
Community Facilities District (CFD) Committee | Altadena Library District
Virtual – Zoom – June 15, 2021 – 4:00 p.m.

IMPORTANT NOTICE REGARDING JUNE 15, 2021 CFD COMMITTEE SPECIAL MEETING

This meeting was conducted utilizing teleconference and electronic means consistent with the **State of California Executive Order N-29-20** dated March 17, 2020, regarding the COVID-19 pandemic. The live stream of the meeting may be viewed by visiting the Altadena Library District's YouTube channel at the following URL <https://www.youtube.com/c/AltadenaLibrary>

SUBMISSION OF PUBLIC COMMENT: For those wishing to make Public Comments at the June 15, 2021 Community Facilities District (CFD) Committee Special Meeting, please submit your comments by email or electronically to be read aloud at the meeting. If multiple comments are submitted, only the first comment will be read aloud during the meeting. Email and Electronic Comments submitted online will be accepted up to two (2) hours prior to the start of the meeting. Email comments can be submitted to hello@altadenalibrary.org. Electronic Comments may also be submitted online at www.altadenalibrary.org/publiccomment.

Email and Electronic Comments will be submitted to the standing committee and shall become part of the record of the meeting.

If you wish to make public comment during the live meeting, you can call in to (626) 798-0833 ext. 103, during the corresponding item of the agenda. For public comment on any non-agenda item, please plan to call at 4:00 p.m.

PUBLIC REQUESTS FOR DOCUMENTS: The District provides a public inspection copy of all materials included in the agenda packet distributed to the Board members. Members of the public who wish to obtain a copy of any document may do so by completing a Request for Public Document form and submitting it to Administration who will arrange for the documents to be copied at a charge of 15¢ per page. Request forms are available at the District Administration offices.

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I. Call to Order

Trustee Terry Andruess called the meeting to order at 4:15 pm.

II. Open Session

a. Roll Call

Trustee Andruess called roll call. Trustee Lyford and Member Kenne, responded as present. Quorum was confirmed.

b. Approval/Reordering of Agenda Items

No adjustments were made.

- c. Adoption of Agenda
Moved by Trustee Lyford to adopt the Agenda.
Seconded by Member Kenne.
Roll Call Vote:
 - Trustee Cervantes: Not Present**
 - Member Kenne: Aye**
 - Member Lyford: Aye**
 - Member Vitale: Not Present**
 - Trustee Andrues: Aye****Motion passed.**

- d. Public Comment on Non-Agenda Items
No public comment was made.

III. **Consent Calendar**

The Community Facilities District (CFD) Committee hereby approves the items and recommended actions in the Consent Calendar listed below:

- Moved by Trustee Lyford to approve the Consent Calendar.**
Seconded by Member Kenne.
Roll Call Vote:
 - Trustee Cervantes: Not Present**
 - Member Kenne: Aye**
 - Member Lyford: Aye**
 - Member Vitale: Not Present**
 - Trustee Andrues: Aye****Motion passed.**

- a. Approval of Minutes – Regular Meeting held May 12, 2021

IV. **Unfinished Business**

- a. None

V. **New Business**

- a. Review and Approval of Work Group’s Bond Underwriting Services RFP Findings and Recommendation to be presented to the Board of Trustees for final approval
(Action)
District Director, Nikki Winslow, provided an overview of the Work Group’s Bond Underwriting Services RFP review process. She noted that the Work Group came to a consensus that the top choice was Hilltop Securities and requests the committee vote to recommend to the Board of Trustees that they allow the Director to contract with them for Bond Underwriting Services. Trustee Andrues mentioned that the workgroup came to consensus and recommendation primarily due to price of the proposal and quality of work the firm was willing to provide. The committee discussed what a green bond is as Hilltop Securities brought up in their proposal.
Moved by Trustee Lyford to recommend approval of Hilltop Securities as the vendor for this position.
Seconded by Member Kenne.
Roll Call Vote:
 - Trustee Cervantes: Not Present**
 - Member Kenne: Aye**
 - Member Lyford: Aye**

Member Vitale: Not Present
Trustee Andruess: Aye
Motion passed.

- b. Review and Approval of Work Group's CFD Administration Services RFP Findings and Recommendation to be presented to the Board of Trustees for final approval

(Action)

District Director, Nikki Winslow, provided an overview of the Work Group's CFD Administration Services RFP review process. She noted that the Work Group came to a consensus that the top choice was NBS as they demonstrated a strong understanding of the work and are knowledgeable of the District due to their work with the District on Measure A and the formation of the CFD. The Work Group requested the committee vote to recommend to the Board of Trustees that they allow the Director to contract with them for CFD Administration Services. The committee discussed the pricing of the proposals and stated that NBS had the second lowest proposal price of the proposals received.

Moved by Trustee Lyford to recommend approval of NBS as the District's CFD Administrator to the Board of Trustees.

Seconded by Member Kenne.

Roll Call Vote:

Trustee Cervantes: Not Present

Member Kenne: Aye

Member Lyford: Aye

Member Vitale: Not Present

Trustee Andruess: Aye

Motion passed.

VI. Announcements & Planning

- a. Proposed Future Agenda Items

District Director Winslow mentioned that the next regular meeting will have a discussion and debrief of the June 10th Special Meeting and discussion of committee roles and procedures documents.

VII. Adjournment

- a. Adjourn

Meeting adjourned at 4:49 pm.

Altadena Library District

Community Facilities District No. 2020-1



CFD Bond Issuance Process

August 2021

9 of 35

PRESENTATION OVERVIEW

- Community Facilities District Fundamentals
- Finance Team Members
- Bond Issuance Procedures
- Annual CFD Administration
- Annual Reporting Requirements

WHAT IS A COMMUNITY FACILITIES DISTRICT (CFD) ?

- A specific geographic area that levies a Special Tax
- Self-sufficient – Administrative expenses paid by Taxpayers
- CFD may issue debt (bonds) supported by Special Taxes

CFD FUNDAMENTALS

CFD rates are set and controlled by a Rate and Method of Apportionment (RMA)

- Defines the methodology used to calculate the special taxes
- Sets the maximum tax allowed
- Is the administration roadmap

CFDs can be categorized into two types – Facilities & Services

A Facilities CFD will pay for public improvements, while a Services CFD can pay for annual maintenance costs of ongoing services. Both components may be incorporated into one CFD.

FINANCE TEAM MEMBERS

- Issuer
- Municipal Advisor
- Bond Counsel
- Disclosure Counsel
- Underwriter
- Special Tax Consultant
- Fiscal Agent (or Trustee) Bank

BOND ISSUANCE PROCEDURES

1. Initial Steps

- Select Finance Team Members
- Prepare
 - Bond documents
 - Preliminary official statement
- Solicit Bond Rating and Bond insurance (fully developed CFDs only)

2. Legislative Body Adopts Resolutions Approving

- Bond documents
- Bond purchase contract
- Preliminary and final official statement
- Continuing disclosure agreements

BOND ISSUANCE PROCEDURES (CONT.)

3. Bond Sale

- Negotiate pricing
- Price, terms, and maturity schedule finalized
- Bond purchase contracts signed
- Closing date set
- Official statement finalized

4. Bond Closing

- Agreements executed and delivered
- Bond purchase price wired from Underwriter to Fiscal Agent
- Bonds released to purchasers
- Bond proceeds used for eligible public facilities

ANNUAL CFD ADMINISTRATION

1. Special tax calculation
 - Traditional approach uses budgeted cost accounting:
 - Debt service payment
 - + Administration expense
 - + Delinquency reserve
 - = **Special Tax requirement**
2. Annual reporting
 - CDIAC
 - Continuing disclosure
3. Arbitrage calculation
4. Property owner services

ANNUAL REPORTING REQUIREMENTS

CDIAC (October 30)

Required by the State

- *Outstanding Bonds*
- *Assessed Values*
- *Delinquencies and Foreclosure*
- *Fund Balances*

Now must be posted City's website

Continuing Disclosure

Required by SEC to Update Secondary Bond Market

- *Development Status*
- *Value to Lien*
- *Fund Balances*
- *Delinquencies and Foreclosures*

Other Reports

- SB 165

Receive and File for the City Council by Jan 1

- *Collections and Expenditures of the CFD*

- SB 1029

Jan 31, for bonds issued after January 21, 2017

- *State Controller's report*



**BOARD OF LIBRARY TRUSTEES – CFD COMMITTEE
AGENDA ITEM VI.A. REPORT FOR AUGUST 2021**

REPORT: Agenda Item VI.a.

MEETING DATE: August 11, 2021

PREPARED BY: Nikki Winslow

LOCATION: Virtual Meeting

TITLE:

RESOLUTION OF THE ALTADENA LIBRARY DISTRICT BOARD OF TRUSTEES, ACTING FOR ITSELF AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF ALTADENA LIBRARY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2020-1 (FACILITIES AND SERVICES) ADOPTING A DEBT POLICY AND DISCLOSURE AND TAX POLICIES AND PROCEDURES

BACKGROUND:

The Altadena Library District (the “Library District”) formed Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (“CFD No. 2020-1”) for the purpose of financing certain facilities and services and authorized the issuance of bonds of CFD No. 2020-1 in an amount not to exceed \$24,000,000 (“CFD No. 2020-1 Bonds”). The Library District Board of Trustees (the “Board”) will in the future consider the issuance of CFD No. 2020-1 Bonds and a portion of the proceeds will be used to finance the structural improvements, repairs to building systems, upgrades to meet current building codes, and accessibility for seniors, people with disabilities, and strollers at both the Main Library and the Bob Lucas Memorial Branch.

There are federal tax law, federal securities law, State of California and contractual requirements that apply to the CFD No. 2020-1 Bonds and any future bond issues. California Government Code Section 8855 (“Section 8855”) requires public agencies to certify to the California Debt and Investment Advisory Commission on their report of proposed debt issuance submitted prior to the issuance of any debt that they have adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those debt policies. Under federal securities laws, the Library District must exercise reasonable care to avoid material misstatements or omissions in preparing the offering documents that will be used to sell the CFD No. 2020-1 Bonds and any future bond issues, and it may not knowingly or recklessly include material misstatements or misleading statements in disclosure documents while the CFD No. 2020-1 Bonds and any future bonds are outstanding. Under federal tax law, a number of different requirements must be met for the CFD No. 2020-1 Bonds and any future bond issues to qualify as tax-exempt bonds and such requirements apply not only on the date of issuance, but also continuously during the term of a bond issue.

The Altadena Library District Debt Policy (the “Debt Policy”) attached to Resolution No. 2021-04 as Exhibit A conforms to the requirements of Section 8855 and includes: (a) the purposes for which debt proceeds may be used; (b) the types of debt that may be issues; (c) the relationship of the debt to, and integration with, the Library District’s capital improvement program; (d) policy goals related to the Library District’s planning goals and objectives; and (e) internal control

procedures that the Library District will implement to ensure that debt proceeds will be directed to their intended use.

The Altadena Library District Disclosure and Tax Policies and Procedures (together, the "Disclosure and Tax Policy") attached to Resolution No. 2021-04 as Exhibit B includes: (1) the disclosure policies and procedures (the "Disclosure Policy") and (2) the tax policy and post-issuance compliance procedures (the "Tax Policy"). The Disclosure Policy establishes policies and procedures regarding compliance with federal securities laws relating to disclosure in order to: (a) comply with law and contract; (b) reduce liability; (c) reduce borrowing costs; and (d) protect the public. The Tax Policy describes the courses of action to be taken by the Library District to: (a) maximize the Library District's compliance with the federal tax law requirements applicable to tax-exempt bonds; and (b) identify and resolve any noncompliance matters, on a timely basis, to preserve the tax-exempt status of tax-exempt bonds.

FISCAL IMPACT:

None. Approval of Resolution No. 2021-04 will adopt the Debt Policy and the Disclosure and Tax Policy relating to the issuance of bonds which will not commit any funds of the Library District.

RECOMMENDATION:

Approve Resolution No. 2021-04 so the Debt Policy and the Disclosure and Tax Policy will be adopted.

RESOLUTION NO. 2021-04

A RESOLUTION OF THE ALTADENA LIBRARY DISTRICT BOARD OF TRUSTEES, ACTING FOR ITSELF AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF ALTADENA LIBRARY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2020-1 (FACILITIES AND SERVICES) ADOPTING A DEBT POLICY AND DISCLOSURE AND TAX POLICIES AND PROCEDURES

WHEREAS, the Altadena Library District (the “Library District”) Board of Trustees (the “Board”) will in the future consider the issuance of special tax bonds of Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (“CFD No. 2020-1”) for the purpose of financing certain facilities; and

WHEREAS, Senate Bill 1029 has amended California Government Code Section 8855 (“Section 8555”), which now requires public agencies to certify to the California Debt and Investment Advisory Commission on their report of proposed debt issuance submitted prior to the issuance of any debt that they have adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those debt policies; and

WHEREAS, the Library District expects to issues such bonds in the public debt markets and, in connection therewith to issue offering documents and to enter into continuing disclosure undertakings to update financial and operating information contained in the offering documents and to file timely notices of certain events and under federal securities laws, the Library District must exercise reasonable care to avoid material misstatements or omissions in preparing such documents; and

WHEREAS, the Library District expects to issue such bonds as tax-exempt bonds, such that the interest on the bond will be excluded from “gross income” to the bondholder under federal tax law, and under federal tax law, a number of different requirements must be met for bonds to qualify as tax-exempt bonds, including restrictions on use of bond-financed property and restrictions on investment of bond proceeds and many of these requirements apply not only on the date of issuance of a bond issue, but also continuously during the term of a bond issue; and

WHEREAS, the Board desires to adopt the Altadena Library District Debt Policy attached as Exhibit A hereto (the “Debt Policy”), which conforms to the requirements of Section 8855; and

WHEREAS, the Board desires to adopt the Altadena Library District Disclosure and Tax Policies and Procedures attached as Exhibit B hereto (the “Disclosure and Tax Policy”) to set forth procedures and guidelines that are intended to provide a framework for compliance by the Library District with federal securities laws and federal tax laws.

NOW, THEREFORE, the Altadena Library District Board of Trustees, acting for itself and in its capacity as the legislative body of Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) hereby finds, determines, and resolves as follows:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Approval of Debt Policy. The Board hereby adopts the Debt Policy set forth in Exhibit A attached hereto and incorporated herein by this reference.

Section 3. Approval of Disclosure and Tax Policy. The Board hereby adopts the Disclosure and Tax Policy set forth in Exhibit B attached hereto and incorporated herein by this reference.

Section 4. Effective Date. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED this 23rd day of August, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Jason Capell, Board Secretary

Katie Clark, Board President

APPROVED AS TO FORM:

Richard Egger, General Counsel

EXHIBIT A
DEBT POLICY
(ATTACHED)

ALTADENA LIBRARY DISTRICT DEBT POLICY

Section 1. Introduction.

The purpose of this debt policy (the “Policy”) is to establish guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by Altadena Library District (the “Library District”) and its related entities (such as Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services)) and is intended to comply with California Government Code Section 8855(i).

As used in this Policy, the “Library District” shall mean the Library District and/or its related entities, as the context may require. As used in this Policy, “debt” shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation fall within exceptions to such legal limitation. This Policy shall govern all debt issued by the Library District.

The Library District and its related entities are committed to fiscal sustainability by employing long-term financial planning efforts, maintaining appropriate reserve levels and employing prudent practices in governance, management, budget administration and financial reporting. This Policy is intended to improve the quality of decisions, assist with the determination of the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning. Adherence to a local debt policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner.

Section 2. Purposes For Which Debt Proceeds May Be Used.

Debt may be issued to: (a) finance the acquisition, rehabilitation, replacement, or expansion of capital assets (including but not limited to capital improvements, facilities and equipment), for the following purposes: (i) acquisition or improvement of land, right-of-way or long terms easements; (ii) acquisition of a capital asset with a useful life of five or more years; (iii) construction or reconstruction of a facility; (iv) although not the primary purpose of the financing effort, project reimbursables that include project planning design, engineering and other preconstruction efforts, project-associated furniture fixtures and equipment, capitalized interest, original issue discount, underwriter’s discount, other costs of issuance and other costs as permitted by law and (b) refund, refinance or restructure debt, subject to refunding objectives and legal parameters.

The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized. Debt may only be issued under Library District Board of Trustees (the “**Board**”) authorization and when the Library District has identified sufficient funds to pay the obligation of principal and interest. No debt shall be issued with a maturity date greater than the expected useful life of the facilities or improvements being financed.

Section 3. Types Of Debt That May Be Issued.

Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and the laws of the State of California (the “State”). Various types of debt may be issued, including, but not limited to special tax bonds, special tax refunding bonds, revenue bonds, revenue refunding bonds, certificates of participation and lease-purchase obligations. Debt shall be issued as fixed rate debt unless the Library District makes a specific determination as to why variable rate debt would be beneficial to the Library District in a specific circumstance.

Section 4. Relationship Of Debt To Capital Improvement Program.

The Library District shall issue debt for the purposes set forth in this Policy and to implement policy decisions incorporated in the Library District’s capital budget and capital improvement plan (the “Master Plan”). The Library District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of [available revenues from the Library District’s parcel tax and the services component of the CFD No. 2020-1 special tax].

Section 5. Policy Goals Relating To Planning Goals And Objectives.

The Library District is committed to following sensible practices in governance, management and budget administration. The Library District will issue debt for the purposes stated in this Policy and to implement policy decisions incorporated into the Library District’s budget. It is a policy goal of the Library District to protect taxpayers by utilizing conservative financing methods and techniques. The Library District will comply with applicable State and federal law as it pertains to the maximum term of debt.

Section 6. Internal Control Procedures.

One of the Library District’s priorities in the management of debt is to ensure that debt proceeds will be directed to the intended use for which they were issued. In furtherance of this priority, the following procedures shall apply:

A. The Library District Director or the designee of the Library District Director shall retain a copy of each annual report filed with the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to Section 8855(k) of the California Government Code conserving (i) debt authorized during the applicable reporting period (whether or not issued), (ii) debt outstanding during the reporting period, and (iii) the use during the reporting period of proceeds of issued debt.

B. In connection with the preparation of each annual report to be filed with CDIAC pursuant to Section 8855(k) of the California Government Code, the Library District Director or the designee of the Library District Director shall keep a record of the original intended use for which the debt has been issued, and indicate whether the proceeds spent during the applicable one-year reporting period for such annual report comport with the intended use (at the time of original issuance or as modified pursuant to the following sentence). If a change in intended use has been authorized subsequent to the original issuance of the debt, the Library District Director

or the designee of the Library District Director shall indicate in the record when the change in use was authorized and whether the Board has authorized the change in intended use. The Library District Director shall consult with legal counsel and report apparent deviations from the intended use in debt proceeds to the Board.

When debt has been issued to finance a capital project and the project timeline or scope of project has changed in a way that all or a portion of the debt proceeds cannot be expended on the original project, the Library District Director shall consult with legal counsel as to available alternatives for the expenditure of the remaining debt proceeds (including repayment of the debt).

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the Library District upon the submission of one or more written requisitions by the Library District, or (b) by the Library District, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the Library District.

When issuing debt, in addition to complying with the terms of this Policy, the Library District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment and expenditure of debt proceeds. The Library District will periodically review the requirements of and remain in compliance with the following: (i) any federal tax compliance requirements; (ii) any State requirements related to debt issuance; (iii) any continuing disclosure undertakings entered into by the Library District in accordance with Securities and Exchange Commission Rule 15c2-12; and (iv) the Library District's investment policies as they relate to the use and investment of debt proceeds.

EXHIBIT B
DISCLOSURE AND TAX POLICY
(ATTACHED)

**ALTADENA LIBRARY DISTRICT
DISCLOSURE AND TAX
POLICIES AND PROCEDURES**

The disclosure policy and procedures (the “**Disclosure Policy**”) establishes a framework for compliance by Altadena Library District and its related entity (Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services)) (together, the “**District**”) with its disclosure and/or contractual obligations with respect to the municipal securities it issues pursuant to the requirements of the Securities Exchange Act of 1934, as amended (the “**1934 Act**”), and the Securities Act of 1933, as amended, including, in particular, Rule 15c2-12, as amended, promulgated under the 1934 Act, and other applicable rules, regulations, and orders.

The tax policy and post-issuance compliance procedures (the “**Tax Policy**”) describes the courses of action to be taken by the District to: (i) maximize the District’s compliance with the federal tax law requirements applicable to tax-exempt bonds; and (ii) identify and resolve any noncompliance matters, on a timely basis, to preserve the tax-exempt status of tax-exempt bonds.

Definitions.

Certain terms used in the Disclosure Policy and the Tax Policy have the meanings specified below.

“**Annual Filing**” means an annual report of the District filed pursuant to a Disclosure Agreement.

“**Board of Trustees**” means the Board of Trustees of the District.

“**Bond Counsel**” means a firm of nationally recognized bond counsel engaged from time to time by the District to give advice to the District with respect to the Tax Policy.

“**Bond Documents**” means documents relating to Bonds, including, but not limited

“**Bonds**” means bonds, notes, certificates of obligation, certificates of participation, and other debt obligations or securities of the District, or the payment of which the District is obligated to support by a lease, contract, or other arrangement, that are sold to or otherwise held or traded in by the public.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Continuing Disclosure Documents**” means financial and operating data and event notices filed with the MSRB through EMMA pursuant to Disclosure Agreements

“**Disclosure Agreement**” means the provisions of each agreement of the District by which the District undertakes to provide financial and operating data periodically, and timely notices of certain events, to the MSRB, whether expressly or as the only nationally recognized municipal securities information repository under SEC Rule 15c2-12.

“Disclosure Counsel” means counsel engaged from time to time by the District to give advice to the District in accordance with the Disclosure Policy and assist the District in preparing Disclosure Documents.

“Disclosure Documents” means Offering Documents, Continuing Disclosure Documents or Other EMMA Filings.

“Disclosure Officer” means the officer(s) of the District charged with exercising the responsibilities of a Disclosure Officer under the Disclosure Policy, i.e., the District Director or another employee of the District specifically designated by the District Director.

“Disclosure Working Group” for any Disclosure Documents means the officers or employees of the District charged with exercising the responsibilities of the Disclosure Working Group in preparing or checking the Disclosure Documents under the Disclosure Policy, as described in Section 4 of the Disclosure Policy.

“Dissemination Agent” means a consultant engaged by the District to assist with the ongoing continuing disclosure filings required under the Disclosure Agreement.

“District Director” means the Library District Director.

“EMMA” means the Electronic Municipal Market Access System maintained by the MSRB.

“Material” when used with respect to a fact included in a Disclosure Document means, generally, that a reasonable investor likely would attach significance to it in making a decision to buy, hold, or sell Bonds of the District. When questions of materiality arise, Disclosure Counsel should be consulted.

“MSRB” means the Municipal Securities Rulemaking Board.

“Municipal Advisor” means person or firm registered with the SEC engaged by the District from time to time to provide advice to or on behalf of the District with respect to municipal financial products or the issuance of municipal securities.

“Offering Documents” means preliminary and final Official Statements and other documents by which Bonds are offered to the public by the District as well as solicitation statements by which the District offers to purchase its Bonds or requests consents or waivers regarding Bonds.

“Other EMMA Filings” means other information filed with the MSRB through EMMA.

“SEC” means the United States Securities and Exchange Commission.

“State” means the State of California.

DISCLOSURE POLICY

Section 1. Background.

The District expects to issue Bonds in the public debt markets and, in connection therewith, to issue offering documents and to enter into continuing disclosure undertakings to update financial and operating information contained in the offering documents at least annually and to file timely notices of certain events with the MSRB through EMMA. Investors in the District's Bonds rely on the filings in deciding whether to buy, hold, or sell the District's Bonds.

Under federal securities laws, the District must exercise reasonable care to avoid material misstatements or omissions in preparing Official Statements that are used to sell Bonds in primary offerings, and it may not knowingly or recklessly include material misstatements or misleading statements in Disclosure Documents while its Bonds are outstanding. Knowledge of any officer or employee of the District as well as information in files of the District may be imputed to the District. Disclosure Counsel opinions may help to establish care, but are no defense to an action for failing to disclose or misstating a known material fact.

Section 2. Purpose.

The purpose of the Disclosure Policy is to establish policies and procedures regarding compliance with federal securities laws relating to disclosure in order to:

A. Comply with Law and Contract. To facilitate compliance with applicable law when preparing and distributing Disclosure Documents in connection with Bond offerings and Continuing Disclosure Documents;

B. Reduce Liability. To reduce exposure (of the District and its officials and employees) to liability for damages and enforcement actions based on misstatements and omissions in Disclosure Documents by reducing the risk that actual material misstatements and omissions occur and make it less likely that any misstatement or omission that does occur was a result of intentional, reckless or negligent conduct;

C. Reduce Borrowing Costs. To reduce borrowing costs by promoting good investor relations; and

D. Protect the Public. To avoid damage to residents of the District and other third parties from misstatements or omissions in Disclosure Documents.

Section 3. Policy.

It is the policy of the District to comply fully with applicable securities law regarding disclosure in connection with the issuance of Bonds and with the terms of its Disclosure Agreements.

Section 4. Procedures.

The following officials and employees of the District shall implement the following procedures in preparing, checking, or issuing the following Disclosure Documents.

A. Official Statements.

(i) Working Group. The Disclosure Working Group for preliminary and final official statements (collectively, “**Official Statement**”) issued in primary offerings shall consist of the following: the District Director and Disclosure Counsel and the Municipal Advisor, each acting in an advisory capacity.

(ii) Establishing Scope and Process. At the beginning of the disclosure process, the Disclosure Working Group will (a) determine (with input from the District’s underwriter(s), in the case of a negotiated offering) what information should be disclosed in the Official Statement to present fairly a description of the source of repayment and security for the securities being offered, including related financial and operating information (which may include a discussion of material risks related to investment in the securities), (b) assign responsibilities for assembling and verifying the information, and (c) establish a schedule for producing the information and the Official Statement that will afford sufficient time for final review by the Disclosure Working Group and the Disclosure Officer and the approvals required by the Disclosure Policy.

(iii) Review for Accuracy, and Completeness. The members of the Disclosure Working Group shall review the Official Statement drafts to determine whether, based on information known or reported to them, (a) the material facts in the Official Statement appear to be consistent with those known to the members of the Disclosure Working Group, and (b) the Official Statement omits any material fact that is necessary to be included to prevent the Official Statement from being misleading to investors. The Disclosure Officer shall take such action as may be necessary, based on feedback from the Disclosure Working Group, to enable the Disclosure Working Group to conclude that the Disclosure Policy was followed and that the Official Statement is accurate and complete in all material respects.

(iv) Final Approval. The Board of Trustees shall approve a substantially final form of the preliminary Official Statement. The Disclosure Working Group shall approve the preliminary and final Official Statement.

(v) Documentation of Procedures. The Disclosure Officer shall compile and retain a file of the actions taken to prepare, check, and approve the Official Statement.

B. Annual Filing.

(i) Working Group. The Disclosure Working Group for the Annual Filing shall consist of the District Director and the Dissemination Agent with Disclosure Counsel review, if necessary.

(ii) Preparation, Review and Approval. The Disclosure Officer, with the assistance of the Dissemination Agent, shall prepare a draft Annual Filing no later than [30 days] prior to the deadline for filing the Annual Filing. The members of the Disclosure Working Group

shall review the Annual Filing drafts to determine whether, based on information known or reported to them, (a) the Disclosure Policy was followed, (b) the material facts in the Annual Filing appear to be consistent with those known to the members of the Disclosure Working Group, and (c) the Annual Filing omits any material fact that is necessary to be included to prevent the Annual Filing from being misleading to investors. The Disclosure Working Group shall conclude that the Disclosure Policy was followed and that the Annual Filing is accurate and complete in all material respects.

The Disclosure Working Group shall approve the final draft of the Annual Filing. The Annual Filing shall not be issued until approved by the Disclosure Working Group.

(iii) Posting and Documentation. The Dissemination Agent, on behalf of the District, shall file the Annual Filing with the MSRB through EMMA by the deadline established by the Disclosure Agreements. The Dissemination Agent, on behalf of the District, shall exercise reasonable care to file the Annual Filing in the format and with the identifying information required by the Disclosure Agreements, including applicable CUSIP numbers for the District's Bonds. The Disclosure Officer shall compile and retain a file of the actions taken to prepare, check, and approve the Annual Filing, and approvals of the Disclosure Working Group.

C. Event Notices.

(i) Identification of Reportable Events and Preparation of Event Notices. The Disclosure Officer shall maintain a list of events of which the District is required to provide notice to the MSRB pursuant to the Disclosure Agreements. The Disclosure Officer shall assess the materiality of any reported event with the assistance of legal counsel (reportable under the Disclosure Agreements only if material) and, if notice of the event must be given (or if no materiality standard applies to that particular event and prepare, or cause to be prepared, an Event Notice giving notice of the event.

(ii) Posting and Documentation. The Disclosure Officer or Dissemination Agent shall file the Event Notice with the MSRB through EMMA by the deadline established by the Disclosure Agreements or, if the facts cannot be correctly and fairly described by the deadline, then as soon thereafter as possible. The Disclosure Officer or Dissemination Agent shall exercise reasonable care to file the Event Notice in the format and with the identifying information required by the Disclosure Agreements, including CUSIP numbers for the applicable Bonds. The Disclosure Officer shall compile and retain a file of the actions taken to report each event and prepare, check, and approve the notice of the event.

Section 5. Training.

The Disclosure Officer and each officer or employee designated as a source of data for a Disclosure Document pursuant to the Disclosure Policy shall undergo initial training prior to each Bond issue and periodic training as necessary to address any changes in law. The training program and materials shall be prepared by or with the assistance of Disclosure Counsel. The training program shall impart the requirements of federal and State securities laws and the Disclosure Agreements, the meaning of "material," and the duties of such officers and employees under the Disclosure Policy.

Section 6. Updates to Policies and Procedures.

The Disclosure Policy shall be reviewed annually by the Disclosure Officer. In addition, at any time all officers and employees of the District are invited and encouraged to make recommendations for changes to the Disclosure Policy so that it fosters better compliance with applicable law, results in better information to investors, or makes the procedures required by the Disclosure Policy more efficient.

The Disclosure Officer, with advice from Disclosure Counsel, shall make any revisions to the Disclosure Policy determined to be advisable. Any revisions to the Disclosure Policy shall be presented to and approved by the Board of Trustees.

Section 7. Miscellaneous.

A. Internal Use Only. The Disclosure Policy is intended for the internal use of the District only and is not intended to establish any duties in favor of or rights of any person other than the District.

B. Waiver of Procedures. The officers and employees charged by the Disclosure Policy with performing or refraining from any action may depart from the Disclosure Policy when they and the Disclosure Officer in good faith determine that such departure is in the best interests of the District and consistent with the duties of the District under federal and State securities laws.

TAX POLICY

The approval of the Tax Policy by the District will be treated by the District as the establishment of written procedures to: (i) ensure that any Bonds that no longer qualify for tax-exempt status are identified and remediated in accordance with the requirements of the Code and applicable regulations, including the remediation provisions of Treas. Reg. Sec. 1.141-12 or other remedial actions authorized by the Commissioner of the Internal Revenue Service under Treas. Reg. Sec. 1.141-12(h); and (ii) monitor compliance with the requirements of Section 148 of the Code (which include arbitrage, yield restriction and rebate requirements) and related regulations.

Section 1. Designation of Responsible Officer.

The District Director, or another employee of the District specifically designated by the District Director, will be responsible for ensuring post-issuance and remedial action compliance with the requirements of any tax and financing documents for the District's outstanding Bonds. The District Director will consult with Bond Counsel and other professionals as needed and may delegate certain duties, such as assisting with arbitrage compliance, to professionals as needed.

Section 2. Compliance with Covenants in Bond Documents and Regular Due Diligence Reviews.

The District Director will ensure compliance with all covenants made by the District in the Bond Documents which must be complied with to maintain the preferential tax status of the Bonds, including, but not limited to use of Bond-financed facilities, timely completion of arbitrage rebate calculations, required filings and restrictions on investment of Bond proceeds. The District Director will review the Tax Policy and the Bond Documents at least annually for the purposes of identifying any possible violation of federal tax requirements related to Bonds and to ensure timely correction of any possible violations. If any possible violation is identified, the District Director will notify Bond Counsel so any expected or existing violation can be corrected.

Section 3. Federal Tax Law Compliance.

A. Proper Use of and Allocation of Bond Proceeds. The District Director will ensure that Bond proceeds are allocated to expenditures in a manner that is consistent with the purpose for each Bond issue as set forth in the Bond Documents. The District Director will also ensure that allocations of Bond proceeds to expenditures are timely made in accordance with the applicable tax regulations. As of the date of adoption of the Tax Policy, for each Bond issue, allocations of Bond proceeds to expenditures must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than the earlier of five years after the Bonds were issued or 60 days after the Bond issue is retired.

B. Investment of Bond Proceeds. The District Director will ensure that Bond proceeds are invested in investments that are permissible under the Bond Documents, and any applicable State laws and federal tax laws (e.g., federal tax law requires that investments purchased with Bond proceeds must be purchased and sold at fair market value).

C. Arbitrage Calculations. The District Director will ensure the timely completion of arbitrage yield restriction and rebate calculations and filings for each issue of Bonds. The District Director shall retain a rebate calculation agent to perform the rebate calculations.

D. Yield Reduction/Rebate Payments. The District Director will ensure the timely payment, if applicable, of yield reduction payments and/or rebate, for each issue of Bonds. As of the date of adoption of the Tax Policy, rebate payments are due as follows: (i) 60 days after the end of the fifth Bond year; (ii) 60 days after the end of every fifth bond year thereafter; and (iii) 60 days after retirement of the last Bond of an issue.

E. Use of Bond-financed Facilities. The District Director will review any agreement or other arrangement for the sale, lease or use of any portion of any Bond-financed facilities, including, but not limited to service, vendor and management contracts, research agreements, licenses to use Bond-financed property or naming rights agreements for compliance with federal tax laws and the Bond Documents. The District Director shall consult with Bond Counsel for further guidance if deemed necessary.

F. Post-Issuance Transactions. A significant modification of the terms of Bonds may result in Bonds being deemed refunded or “reissued.” Such an event will require, among other things, the filing of new information returns with the federal government and the execution of a new arbitrage certificate. The District Director will consult with Bond Counsel before making any changes or amendments to Bond Documents for a Bond issue, including, but not limited to entering into investment agreements; making any change in security for the Bonds; terminating or appointing a successor trustee; releasing any liens; or reissuing a Bond issue.

G. Remedial Action. If at any time during the life of a Bond issue, the District Director discovers that a violation of federal tax law requirements applicable to that issue may have occurred, the District Director shall consult with Bond Counsel to determine whether any such violation actually has occurred. If the District Director determines that a violation has in fact occurred, the District Director will inform the Board of Trustees of the same and will take prompt action to accomplish an available remedial action under applicable regulations or to enter into a closing agreement with the Internal Revenue Service under the Voluntary Closing Agreement Program or other future published guidance.

Section 4. Record Retention.

Management and retention of records related to the District’s Bonds will be supervised by the District Director. The District Director will retain for the life of Bonds plus the life of any refunding Bonds plus three years records relating to: (i) general information regarding the Bond issue; (ii) expenditure of Bond proceeds; (iii) use, ownership and disposition of Bond-financed facilities; and (iv) investment of gross proceeds of Bonds. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.

Section 5. Training.

Training for the District Director and for any persons at the District to whom the District Director specifically delegates any duties in the Tax Policy to will undergo initial training with

Bond Counsel prior to each Bond issue and periodic training as necessary to discuss monitoring compliance with applicable federal tax laws relating to Bonds.

Section 6. Updates to Policies and Procedures.

The Tax Policy shall be reviewed annually by the District Director. The District Director, with advice from Bond Counsel, shall make any revisions to the Tax Policy determined to be advisable. Any revisions to the Tax Policy shall be presented to and approved by the Board of Trustees.