



STAFF REPORT

MEETING DATE: August 13, 2025

PRESENTER: Josefina Alvarez, Finance Director

SUBJECT: Amendment to Joint Exercise of Powers Agreement for the Kerman Public Financing Authority (JA)

RECOMMENDATION: Council by motion authorize execution and delivery of first amendment to joint exercise of powers agreement.

EXECUTIVE SUMMARY:

The City of Kerman (the City) is planning to finance public capital improvements, anticipated to consist of a new multi-generational community resiliency center and improvements to the City's new police station. The financing will be undertaken via the issuance of long-term tax-exempt bonds via a public offering.

It is anticipated that the bonds will be issued by the Kerman Public Financing Authority (Financing Authority) pursuant to Article 4 of the Joint Exercise of Powers Act (Government Code Section 6500 et seq.), which Act authorizes two or more public agencies to create a joint exercise of powers entity which has the power to exercise any powers common to its members and to exercise additional powers granted under the Act.

Pursuant to the Act, the City and the Kerman Redevelopment Agency previously entered into a Joint Exercise of Powers Agreement, dated as of August 15, 2007 (2007 Agreement), to establish the Financing Authority. In accordance with State law, the Kerman Redevelopment Agency was succeeded by the Successor Agency to the former Kerman Redevelopment Agency, which has now been completely dissolved.

A number of California cities, counties and special districts have entered into a joint exercise of powers agreement pursuant to which the California Statewide Communities Development Authority (CSCDA) was organized and CSCDA may, among other things, enter into a joint exercise of powers agreement with one or more public agencies pursuant to which such contracting parties may jointly exercise any power common to them and to exercise additional powers granted under the Act.

The City desires to amend the 2007 Agreement to add CSCDA as a member, in place of the Kerman Redevelopment Agency, and CSCDA has agreed to do so. It is anticipated that the governing body of CSCDA will adopt the amendment to become a member of the Financing Authority on August 7, 2025.

FISCAL IMPACT:

CSCDA charges a one-time fee of \$10,000 to serve as a member of a joint exercise of powers agency. This fee is anticipated to be financed as part of the long-term tax-exempt bonds described above.

ATTACHMENTS:

- A. Resolution
- B. First Amendment to Joint Exercise of Powers Agreement (Kerman Public Financing Authority)