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Date: January 21, 2026
MEMO TO: Board of Supervisors
FROM: William M. Carroll, Assistant County Counsel
RE: Authorization to CSCDA for financing private commercial developments through the PACE program

This memo is to provide some background as to the California Statewide Communities Development Authority's ("CSCDA") request for the Board of Supervisor's approval of the CSCDA's intending financing of the "Travel America Travel Center" ("Travel Center") project to be located at Exit 766 of the I-5, near Grenada.¹ The approval sought by CSCDA is broader than the immediate project and would allow the CSCDA to enter into financing of private projects within the County without returning to the Board.

By way of background, the CSCDA is a joint powers authority ("JPA") established in 1988 among various California counties (including Siskiyou County) and cities through the sponsorship of CSAC and the League of California Cities. The purpose of CSCDA is to issue and administer private activity bonds that promote economic development and provide community services in the jurisdictions of its program participants. Once funds through the sale of bonds is obtained, the CSCDA can enter into voluntary, contractual agreements with commercial property owners for financing development of the properties. The funding is for such purposes as increasing a project's energy or water efficiency, creating electric vehicle charging infrastructure or other similar goals.

¹ The Travel Center would be approximately 12, 400 feet in size, including 9,300 sq. ft. for a convenience store and retail tenants such as Starbucks and Jimmy John's. The Planning Department indicates that the property is already zoned for such development and would not require a conditional use permit or zoning change. CSCDA states the expected financing would be approximately \$5 million for energy efficient measures including lighting, roofing, electrical and other improvements. Approval of the proposed resolution is for ancillary financing generally, and not approval of the project itself.

CSCDA program participants, including Siskiyou County, remain entirely free of any contractual or debt obligations in the financing of projects by CSCDA². One particular financing program offered through CSCDA is the PACE program, which program is described on the CSCDA website as a “*resource for residential and commercial property owners to finance energy efficiency, renewable energy, water conservation and seismic improvements.*”

More specifically, the proffered financing would initiate from a bond issued by the CSCDA and purchased by the PACE Loan Group. The CSCDA has confirmed that any funding borrowed from an issued bond is the obligation of the borrower and the payback is made directly to the PACE Loan Group. The County would not be a party to, nor have any obligations, under this financing arrangement, except that CSCDA would arrange to have the property tax bill include the CSCDA assessment as the vehicle by which repayment of the financing is made.³

However, under the CSCDA’s JPA, local involvement is required to the extent that before the CSCDA will issue a bond, the issuance of bonds must be approved by the local jurisdiction. Under Section 9 of the JPA:

The Authority [the CSCDA] shall not issue Bonds with respect to any project unless the governing body of the Program Participant in whose jurisdiction the project is to be located, or its duly authorized designee, shall approve, conditionally or unconditionally, the project including the issuance of the Bonds therefor. Action to approve or disapprove a project shall be taken within 45 days of the filing with the Program Participant.

The proposed resolution to the Board would more broadly also authorize the CSCDA to finance other opportunities beyond the immediate project, without returning to the Board. Specifically, the County would authorize the CSCDA to receive applications for commercial projects in the County in the future beyond the immediate Travel Center project and, as appropriate, include the appropriate assessment upon the property tax bill via voluntary, contractual agreement by the property owner.

² Under Section 8 of the JPA: “*The bonds, together with the interest and premium... shall not be deemed to constitute a debt of any Program Participant... or pledge of the faith and credit of the Program Participants.*”

³ Under Streets & Highways Code Sections 5898.10 et seq. (Chapter 23, of Part 3 of Division 7, “Contractual Assessments”) public entities may enter into contractual assessments to finance improvements for such projects as energy efficiency improvements, water efficiency improvements, electric vehicle charging infrastructure, etc. In this particular case, the CSCDA established the PACE program for its covered jurisdictions. Public entities (including CSCDA by virtue of its powers provided in the JPA) may then authorize assessments against the affected real property to finance any work done pursuant to this division, upon contractual agreement with the property owner. As such assessments are by the property owner’s voluntary agreement, they are not assessments subject to Proposition 218 considerations (see Streets & Highways Code Section 5898.31).