

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

**REGULAR MEETING
TELECONFERENCE MEETING NOTICE and AGENDA
LOCATIONS LISTED BELOW**

**10:30 A.M.
Thursday, January 12, 2017
Teleconference Phone Information
(712) 775-7031 - Conference Code: 895081223**

**Call to Order and Roll Call
Statement of Disclosure**

Action Items

1. Approve Resolution No. 17-03 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing the Cost of Acquisition, Construction, Improvement and Equipping of Certain Facilities for the Benefit of Orange County Bar Foundation, Inc., Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Public Comment
Chair Report
PACE Report
Other Business
Adjournment**

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for Local Economic Development (contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811	City of Vista (contact Kevin Ham or Reception) 200 Civic Center Dr. Vista, CA 92084	Economic Development Collaborative- Ventura County (contact Bruce Stenslie or Kelly Noble) 1601 Carmen Drive, #215 Camarillo, CA 93010
City of Santa Clarita (contact Jason Crawford or Marilyn Sourgose) 23920 Valencia Blvd., Suite 100 Santa Clarita, CA 91355	Fresno State (contact Mike Dozier or Reception) 550 East Shaw Ave., Suite 230 Fresno, CA 93710	Los Angeles County Economic Development Corporation (LAEDC) (contact Carrie Rogers or Linden Johnson) 444 S. Flower St., 37 th Floor Los Angeles, CA 90071
Southern California Edison, Economic Development Services (contact Mike Nuby by phone: 626-812-7351) 6040-B N. Irwindale Ave. Irwindale, CA 91702		

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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Staff Report

Action Requested	Approve Resolution No. 17-03 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing the Cost of Acquisition, Construction, Improvement, Equipping and Furnishing of Certain Facilities for the Benefit of Orange County Bar Foundation, Inc., Providing the Terms and Conditions For Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Orange County Bar Foundation, Inc.
Borrower Description	<p>Since 1969, the Orange County Bar Foundation (OCBF) has operated a wide range of youth and family oriented programs and remained committed to its mission of keeping at-risk youth in school, healthy, and drug-free through education, counseling, mentoring, and family strengthening. The OCBF was built upon a legacy deep within the local legal community. It was initially established the philanthropic arm of the Orange County Bar Association. Due to the success and growth of their work supporting at-risk youth, in 1981 the OCBF became an independent 501(c)(3) nonprofit agency. The organization is fiscally sound and has a strong governing board of 40 directors. Web site: https://ocbarfoundation.org/</p> <p>Orange County Bar Foundation, Inc., requests the Authority to make a loan (the “Borrower Loan”) in the aggregate principal amount not to exceed \$2,000,000 to finance the cost of acquisition, construction, improvement, equipping and furnishing of an approximately 8,015 square foot, two-story commercial office building with offices, open spaces and a kitchen along with parking located in Santa Ana.</p>
Public Benefits	OCBF will be relocating their facilities to a newly purchased facility, retaining all 12 full-time and 4 part-time positions and the low-cost financing will enable them to put more money into their operations and programs. Through its out-reach services, the Foundation serves more than 1,000 youths each year.
TEFRA Hearing	A public hearing is scheduled to be completed by the City of Santa Ana on January 17, 2017.
Eligibility and Policy Review	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution No. 17-03 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing the Cost of Acquisition, Construction, Improvement, Equipping and Furnishing of Certain Facilities for the Benefit of Orange County Bar Foundation, Inc., Providing the Terms and Conditions For Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 17-03

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN FOR THE PURPOSE OF FINANCING THE COST OF ACQUISITION, CONSTRUCTION, IMPROVEMENT, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF ORANGE COUNTY BAR FOUNDATION, INC., PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

WHEREAS, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

WHEREAS, the City of Santa Ana (the "City") is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement for the purposes of promoting economic development; and

WHEREAS, Orange County Bar Foundation, Inc., a California nonprofit religious corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make a loan (the "Borrower Loan") in the aggregate principal amount not to exceed \$2,000,000 to the Borrower for the purpose of financing the cost of acquisition, construction, improvement, equipping and furnishing of an approximately 8,015 square foot, two-story commercial office building with offices, open spaces and a kitchen along with parking located 1605 E. 17th Street, Santa Ana, California 92706 (collectively, the "Facilities"); and

WHEREAS, a portion of the proceeds of the Borrower Loan may also be used to pay certain costs of issuance in connection with the Borrower Loan; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from Lender to the Authority (together, the “Authority Loan” and, together with the Borrower Loan, the “Loan”) to make the Borrower Loan; and

WHEREAS, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) A proposed form of the Loan Agreement, by and among Farmers and Merchants Bank of Long Beach, or its successor (the “Lender”), the Authority and the Borrower (the “Loan Agreement”); and

(b) A proposed form of Assignment Agreement, between the Authority and the Lender (the “Assignment Agreement”);

WHEREAS, the Facilities provide significant benefits to the residents of the City and the surrounding community through the charitable services provided by the Borrower as part of its mission of keeping at-risk youth in school, healthy and drug-free through education, counseling, mentoring, and family strengthening; and

WHEREAS, based on representations of the Borrower, the financing of the Facilities through the Authority will result in demonstrable savings in effective interest rate; and

WHEREAS, the Council of the City is scheduled to hold a public hearing and adopt a resolution approving the Authority Loan to finance the Facilities pursuant to Section 147(f) of the Code on January 17, 2017 (the “City Approval”);

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Enterprise Development Authority, as follows:

Section 1. The Authority finds that it is in the public interest to assist the Borrower in financing the Facilities.

Section 2. Subject to the City Approval, the Authority hereby approves of the entering into the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Authority) under the Borrower Loan.

Section 3. The proposed form of the Loan Agreement by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for

and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

Section 4. The proposed form of the Assignment Agreement by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

Section 5. Subject to the City Approval, the Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$2,000,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

Section 6. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by Lender to an affiliate of Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 7. All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to

effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

Section 8. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

Section 9. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County has held the requisite hearing and has approved the issuance of the Authority Loan pursuant to Section 147(f) of the Code.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this January 12, 2017.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on January 12, 2017.

Helen Schaubmayer, Assistant Secretary