

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, May 19, 2022

Zoom Call Information

<https://us02web.zoom.us/j/87162395293?pwd=SWpEQTBWQzV0Y3JTbidYMHVUcDhsUT09>

Meeting ID: 871 6239 5293

Passcode: 534449

One tap mobile

+16699006833,,87162395293#,,, *534449# US (San Jose)

+13462487799,,87162395293#,,, *534449# US (Houston)

Pursuant to AB 361, members of the California Enterprise Development Authority and staff will participate in this meeting via a teleconference. To reduce the spread of COVID-19, members of the public are asked to participate and comment directly by logging into the Livestream

<https://us02web.zoom.us/j/87162395293?pwd=SWpEQTBWQzV0Y3JTbidYMHVUcDhsUT09>

Call to Order and Roll Call Statement of Disclosure

Action Items

1. Consent Agenda
 - a. Approve Minutes from the Regular Business Meeting on May 5, 2022.
2. Approve Resolution 22-29 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans For The Purpose of Financing, Refinancing or Reimbursing the Cost of Acquisition, Design, Development, Construction, Rehabilitation, Improvement and Equipping of Facilities For The Benefit of Learning With A Difference, Inc., d/b/a The Westmark School, and Other Matters Relating Thereto Herein Specified.

Public Comment

Chair Report

PACE Report

Other Business

Adjournment

This agenda can be obtained at <https://ceda.caled.org>. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

ZOOM CALL

CEDA BOARD OF DIRECTORS

Thursday, May 5, 2022

Zoom Call Location

<https://us02web.zoom.us/j/86398704279?pwd=U3pRdXh6V3RCNDNqK2c1Nk5LZDZNMUT09>

Meeting ID: 863 9870 4279

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:31 a.m.

Roll Call

Members Present:

Christina Bibler
Robert Burris (10:33 a.m.)
Christine Damko
Jessica Gonzales (10:39 a.m.)
Josh Metz (10:40 a.m.)
Gurbax Sahota

CALED Management/Staff Present:

Michelle Stephens
Devin Yoshikawa

Public:

Sam Balisy, Kutak Rock
Kirk Dowdell, Dowdell Consulting
David Mnatsakanyan, Kutak Rock
Jeremy Moser, Vanguard University
Rollen Robertson, F&M Bank
Jacob Roth, Dividend Finance (10:34 a.m.)
Jessica Shaham, Kutak Rock
Jeff Spinelli-Farris, F&M Bank

Statement of Disclosure

Action Items

1. Approve Consent Agenda

Motion: Board Member Christine Damko made the motion to approve the Consent Agenda. Board Member Christina Bibler seconded the motion on the floor.

The motion passed with the following roll call vote:

Christina Bibler
Christine Damko
Gurbax Sahota

2. Approve Resolution 22-24 of the California Enterprise Development Authority Declaring Intention to Finance the Installation of Seismic Strengthening, Electric Vehicle Charging Infrastructure, and Wildfire Suppression and Safety Improvements in the County of San Diego.

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Discussion: Michelle Stephens clarified that San Diego County is already a member of the PACE program, but the original ROI did not include the seismic strengthening, electric vehicle charging infrastructure, and wildfire suppression and safety improvements. This is an update to the original ROI.

Motion: Board Member Christina Bibler made the motion to approve Resolution 22-24. Board Member Christine Damko seconded the motion on the floor.

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Christine Damko
Gurbax Sahota

3. Approve Resolution 22-25 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 and Refinancing the Cost of Acquisition, Construction, Development, Installation, Equipping and Furnishing of Certain Facilities for the Benefit of Vanguard University of Southern California, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle Stephens gave the staff report. Kirk Dowdell provided comments and detail on purpose of project. This is Vanguard University's second issuance with CEDA. Kirk thanked Kutak Rock and CEDA for the partnership. Jeff Spinelli-Farris thanked CEDA and Vanguard for the continued partnership.

Motion: Board Member Christina Bibler made the motion to approve Resolution 22-25. Board Member Christine Damko seconded the motion on the floor.

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Christine Damko
Gurbax Sahota

4. Approve Resolution 22-26 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Refinancing the Cost of Acquiring, Developing, Constructing, Installing, Equipping, and Furnishing Educational Facilities for the Benefit of Berkeley Montessori School, Inc. d/b/a The Berkeley School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle Stephens gave the staff report. Sam Balisy explained that this financing is to consolidate debt that the school has carried over from 2018, which will help to generate savings.

Motion: Board Member Josh Metz made the motion to approve Resolution 22-26. Board Member Christine Damko seconded the motion on the floor.

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Christine Damko

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Jessica Gonzales
Josh Metz
Gurbax Sahota

5. Approve Resolution 22-27 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing the Cost of Acquiring, Developing, Constructing, Installing, Equipping, and Furnishing Facilities for the Benefit of LAXART and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle Stephens gave the staff report. Sam Balisy explained that the financing will allow the art gallery to move out of leased space and into a permanent facility.

Motion: Board Member Josh Metz made the motion to approve Resolution 22-27. Board Member Jessica Gonzales seconded the motion on the floor.

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Christine Damko
Jessica Gonzales
Josh Metz
Gurbax Sahota

6. Approve Resolution 22-28 Authorizing the Issuance and Sale of Its California Enterprise Development Authority Revenue Bonds (United Health Centers Of The San Joaquin Valley-Visalia Project), Series 2022 for the Purpose of Financing, Refinancing, or Reimbursing the Cost of Acquiring, Developing, Constructing, Installing, Equipping, and Furnishing a Healthcare Facility for the Benefit of United Health Centers of the San Joaquin Valley and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle Stephens gave the staff report. Sam Balisy explained that UHC is expanding and repurposing a facility to reach more community members.

Motion: Board Member Jessica Gonzales made the motion to approve Resolution 22-28. Board Member Christine Damko seconded the motion on the floor.

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Christine Damko
Jessica Gonzales
Josh Metz
Gurbax Sahota

Public Comment

None

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Chair Report:

Gurbax Sahota clarified that the full financing presentation is on the agenda for the CEDA Founders meeting at the CALED conference. There is overlap between the CEDA board meeting and the CALED board meeting so that CALED board members can hear about some of the work that CEDA is doing as well as listen in on the presentation. A representative from one of CEDA's founding cities, the City of Lancaster, will be attending the dinner on Wednesday.

PACE Report

Jacob Roth thanked the board for approving the ROI and is looking forward to bringing the next one before the board on June 9th.

Other Business

None

Adjournment

Motion: *Board Member Josh Metz made the motion to adjourn the meeting. Christina Bibler seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:54 a.m. after the roll call vote.*

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Christine Damko
Jessica Gonzales
Josh Metz
Gurbax Sahota

Staff Report

Action Requested	Approve Resolution 22-29 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans For The Purpose of Financing, Refinancing or Reimbursing the Cost of Acquisition, Design, Development, Construction, Rehabilitation, Improvement and Equipping of Facilities For The Benefit of Learning with a Difference, Inc., d/b/a The Westmark School, and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Learning with a Difference, Inc., d/b/a The Westmark School
Borrower Description	<p>Throughout its various incarnations over the last 35+ years, the basic mission and educational philosophy of Westmark has remained the same: to enable students who live with language-based learning differences to successfully pursue their dreams.</p> <p>In 1983, Landmark School of Massachusetts opened Landmark West in Culver City as a west coast extension of their school. The Landmark Foundation purchased the Encino campus in 1994. In the fall of 1997, Landmark School was purchased by a non-profit corporation, <i>Learning with a Difference, Inc.</i> to provide local control over the development and implementation of the program. These leaders renamed the school Westmark.</p> <p>In 2013, Westmark School was granted a six-year accreditation term from the California Association of Independent Schools (CAIS). Westmark is the only school of its kind to receive full accreditation from CAIS.</p> <p>Learning with a Difference, Inc., d/b/a The Westmark School has requested that the Authority make one or more loans in an aggregate principal amount not to exceed \$25,000,000 to finance, refinance, or reimburse the Borrower for the cost of design, development, acquisition, construction, rehabilitation, improvement, and equipping of the Borrower’s educational facilities located at 5461 Louise Avenue, Encino, California 91316, including, but not limited to, the construction of classrooms, occupational therapy facilities, a black box theater, and other school related facilities.</p>
Public Benefits	The tax-exempt financing will allow Learning with a Difference, Inc., d/b/a The Westmark School to provide access to healthcare services to all community members, including the underserved and uninsured.
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; and ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution 22-29 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans For The Purpose of Financing, Refinancing or Reimbursing the Cost of Acquisition, Design, Development, Construction, Rehabilitation, Improvement and Equipping of Facilities For The Benefit of Learning with a Difference, Inc., d/b/a The Westmark School, and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 22-29

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING, REFINANCING OR REIMBURSING THE COST OF ACQUISITION, DESIGN, DEVELOPMENT, CONSTRUCTION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF FACILITIES FOR THE BENEFIT OF LEARNING WITH A DIFFERENCE, INC., D/B/A THE WESTMARK SCHOOL, AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, pursuant to the provisions of the Joint Exercise of 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 financing 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 Los Angeles, California (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, financing agreement or similar agreement for the purposes of promoting economic development; and

WHEREAS Learning with a Difference, Inc., d/b/a The Westmark School (or a successor or related entity) (the "Borrower"), a nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested that the Authority make one or more loans in an aggregate principal amount not to exceed \$25,000,000 (the "Borrower Loans"), to the Borrower to (a) (i) finance, refinance or reimburse the Borrower for the cost of design, development, acquisition, construction, rehabilitation, improvement and equipping of the Borrower's educational facilities located at 5461 Louise Avenue, Encino, California 91316, including, but not limited to, the construction of classrooms, occupational therapy facilities, a black box theater and other school related facilities

(collectively, the “Facilities”); and (b) pay certain costs of issuance in connection with such financing; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from First Republic Bank or its successor (the “Lender”), to the Authority (collectively, the “Authority Loans” and, together with the Borrower Loans, the “Loans”) to make the Borrower Loans; 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 Loan Agreement (the “Loan Agreement”), by and among the Lender, the Authority and the Borrower; and

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

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Loans, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on a good faith estimates by the Lender; and

WHEREAS, the Facilities provide significant benefits to the residents of the City and surrounding community by enabling students with distinct learning styles to achieve successful and fulfilling futures through the educational services provided by the Borrower and, based on representations of the Borrower, the financing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the 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. The Authority hereby approves of the entering into the Authority Loans, 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 Loans pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loans will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loans. The payments to be made by the Authority to the Lender under the Authority Loans will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loans.

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. The Authority approves the Authority Loans, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loans to the Borrower in an amount not to exceed \$25,000,000 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 Loans shall be made solely from the revenues to be received by the Authority from the Borrower Loans pursuant to the Loan Agreement, and the Authority Loans shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loans 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 Loans 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 the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loans, 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 Loans and the Borrower Loans 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 Loans and the Authority Loans 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 City has held the requisite hearing and the City Council of the City has approved the making of the Authority Loans pursuant to Section 147(f) of the Code.

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

PASSED AND ADOPTED on May 19, 2022.

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 May 19, 2022.

Helen Schaubmayer, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Learning with a Difference, Inc., d/b/a The Westmark School (or a successor or related entity) (the “Borrower”), a nonprofit public benefit corporation, has provided the following required information to the California Enterprise Development Authority (the “Authority”), as conduit financing provider, prior to the Authority’s regular meeting on May 19, 2022 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$25,000,000 (the “Obligations”).

1. First Republic Bank, as private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows, which assumes a total aggregate principal amount of \$23,000,000:
 - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 2.8188%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$265,000
 - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$22,735,000
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$28,844,136.65
2. The good faith estimates provided above were based on information which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.