

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING
TELECONFERENCE MEETING NOTICE and AGENDA
LOCATIONS LISTED BELOW

10:30 A.M.
Thursday, June 2, 2016
Teleconference Phone Information
(712) 775-7031 - Conference Code: 895081223

Call to Order and Roll Call Statement of Disclosure

Action Items

1. Approve Minutes from the Regular Meeting on May 12, 2016.
2. Approve Resolution 16-68 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 Acquiring, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of Orange County School of the Arts, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
3. Approve Resolution 16-69 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 Acquiring, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of The Legacy Fund, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
4. Approve Resolution 16-70 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 Developing, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of Orangewood Real Property LLC, 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 Gurbax Sahota
or 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

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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 EDC
(contact Carrie Rogers or
Linden Johnson)
444 S. Flower St., 37th 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

This agenda can be obtained at www.ceda.caed.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. 16.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

***TELECONFERENCE MEETING ***

CEDA BOARD OF DIRECTORS

Thursday, May 12, 2016

Teleconference Locations

California Association for Local
Economic Development
550 Bercut Drive, Suite G
Sacramento, CA 95811

Fresno State
550 East Shaw Ave., Suite 230
Fresno, CA 93710

City of Santa Clarita
23920 Valencia Blvd., Suite 100
Santa Clarita, CA 91355

Economic Development Collaborative-
Ventura County
1601 Carmen Drive, #215
Camarillo, CA 93010

City of Vista
200 Civic Center Dr.
Vista, CA 92084

Los Angeles EDC
444 S. Flower St., 37th Floor
Los Angeles, CA 90071

Southern California Edison,
Economic Development Services
6040-B N. Irwindale Ave.
Irwindale, CA 91702

Call to Order

Kevin Ham Board Member of the California Enterprise Development Authority, called the meeting to order at 10:30 am.

Roll Call

Members Present: Jason Crawford
Mike Dozier
Kevin Ham
Mike Nuby*

* Left early

CALED Management/Staff

Present: Jillian Boyd
Helen Schaubmayer

Statement of Disclosure

None

Action Items

1. Approve Minutes from the Regular Meeting on May 5, 2016.

Motion: Board Member Jason Crawford made the motion to approve minutes from the regular meeting on May 5, 2016. Board Member Mike Nuby seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford

Aye

Mike Dozier	Aye
Kevin Ham	Aye
Mike Nuby	Aye

2. Approve Resolution 16-67 of the California Enterprise Development Authority Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Berkeley Student Cooperative, Inc. Project), Series 2016, for the Purpose of Refinancing Facilities for the Benefit of Berkeley Student Cooperative, Inc., a California Nonprofit Public Benefit Corporation, 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 and Authorizing the Execution of Certain Documents Herein Specified.

Motion: *Board Member Mike Nuby made the motion to approve Resolution 16-67. Board Member Mike Dozier seconded the motion on the floor. The motion passed with the following roll call vote:*

Jason Crawford	Aye
Mike Dozier	Aye
Kevin Ham	Aye
Mike Nuby	Aye

Discussion: Helen briefed the Board the Berkeley Student Cooperative (BSC) is a non-profit 501 (c)(3) headquartered in Berkeley that has been providing affordable student housing since 1933. BSC requests revenue bonds in an amount not to exceed \$18.2 million for the purposes of refinancing the cost of acquisition, construction, renovation, installation, equipping and furnishing of the real property and improvements for its 19 properties included under this agreement as well as paying issuance costs. The BSC offers housing for a diverse population including low-income, underrepresented, and marginalized groups.

Public Comment

Chair Report

Helen reported there will be no CEDA call next week.

PACE Report

Other Business

Adjournment

Motion: *Board Member Mike Dozier moved to adjourn the meeting. Board Member Jason Crawford seconded the motion. The motion passed unanimously by voice vote.*

Board Member, Kevin Ham, adjourned the meeting at 10:36 am.

Staff Report

Action Requested	Approve Resolution 16-68 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 Acquiring, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of Orange County School of the Arts, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Orange County School of the Arts
Borrower Description	<p>Orange County School of the Arts (OCSA) is a 501(c)(3) nonprofit public benefit corporation and charter school located in Santa Ana. The school was established in 1987 and currently serves more than 2,100 students in grades 7 through 12 from more than 100 cities throughout Southern California. It is one of the largest single-campus public charter schools in the country and has been the recipient of many national and regional awards for its academic excellence and arts conservatory programs. OCSA offers one of the county's top college preparatory programs as well as training in fourteen pre-professional arts conservatories within the School of Applied Arts, Dance, Fine and Media Arts, Music, and Theatre. As a public charter school, the school is tuition free, donation dependent, and is accessible to students from all backgrounds. OCSA has proved to be a sustainable organization receiving recurring annual funding from a variety of sources and network of donors who are vested in the school's growth.</p> <p>Web site: http://www.ocsarts.net/</p> <p>Orange County School of the Arts requests the Authority to make a loan in the aggregate principal amount not to exceed \$23,000,000 to the Borrower for the purpose of financing and refinancing the costs of issuance and cost of acquiring, constructing, installing, improving, equipping and furnishing the educational and related facilities located in Santa Ana, California, specifically at these addresses: 800 North Bush Street, 801 North Main Street, 902 North Main Street, 906 North Main Street, 1000 North Main Street, 1010 North Main Street, 1018 North Main Street, 1104 North Main Street, 1107 North Main Street, 1110 North Main Street, 123 East 11th Street, 900 North Sycamore Street, 912 North Sycamore Street, 921 North Sycamore Street, 839 North Broadway, 843 North Broadway, 845 North Broadway, 915 North Broadway, 919 North Broadway, 201 West Washington Avenue, and 207 West Washington Avenue.</p>
Public Benefits	The borrower provides significant benefits to the local residents and surrounding community through the educational and arts facilities they provide and the financing and refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate. The borrower also has been a powerful economic engine in the community, contributing as an employer, producer, consumer and key promoter of its city and region.
TEFRA Hearing	A public hearing is scheduled to be held by the City of Santa Ana City Council on June 7, 2016.

Eligibility and Policy Review	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 <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 16-68 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 Acquiring, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of Orange County School of the Arts, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 16-68

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 AND REFINANCING THE COST OF ACQUIRING, CONSTRUCTING, INSTALLING, IMPROVING, EQUIPPING AND FURNISHING CERTAIN EDUCATIONAL FACILITIES FOR THE BENEFIT OF ORANGE COUNTY SCHOOL OF THE ARTS, 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 carrying out its purposes; and

WHEREAS, Orange County School of the Arts, a California nonprofit public benefit 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 \$23,000,000 to the Borrower for the purpose of financing and refinancing the cost of acquiring, constructing, installing, improving, equipping and furnishing the educational and related facilities located at 800 North Bush Street, 801 North Main Street, 902 North Main Street, 906 North Main Street, 1000 North Main Street, 1010 North Main Street, 1018 North Main Street, 1104 North Main Street, 1107 North Main Street, 1110 North Main Street, 123 East 11th Street,

900 North Sycamore Street, 912 North Sycamore Street, 921 North Sycamore Street, 839 North Broadway, 843 North Broadway, 845 North Broadway, 915 North Broadway, 919 North Broadway, 201 West Washington Avenue, and 207 West Washington Avenue, Santa Ana, California (the “Facilities”) and paying certain costs of issuance in connection with the Loan (as defined below); and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt and/or taxable loan from Farmers and Merchants Bank of Long Beach (the “Lender”) to the Authority (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 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”); and

WHEREAS, the Facilities provide significant benefits to the residents of the City and surrounding community through the educational and arts facilities provided by the Borrower and, based on representations of the Borrower, the financing and refinancing 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 California Enterprise Development Authority, as follows:

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

Section 2. The Authority hereby approves of the entering into the Authority Loan on a tax-exempt and/or taxable basis 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 conditions set forth in Section 9 below, the Authority approves the Authority Loan on a tax-exempt and/or taxable basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$23,000,000 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 counsel to the Authority or the Lender 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 City has held the requisite hearing and has approved the issuance of the 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 June 2, 2016.

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 June 2, 2016.

Helen Schaubmayer, Assistant Secretary

Staff Report

Action Requested	Approve Resolution 16-69 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 Acquiring, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of The Legacy Fund, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	The Legacy Fund
Borrower Description	<p>The Legacy Fund is a California nonprofit public benefit corporation that owns the facilities which are leased on a long-term basis to the Orange County School of the Arts (OCSA). Orange County School of the Arts (OCSA) is a 501(c)(3) nonprofit public benefit corporation and charter school located in Santa Ana. OCSA offers one of the county’s top college preparatory programs as well as training in fourteen pre-professional arts conservatories.</p> <p>Web site of Facilities Lessee, Orange County School of the Arts: http://www.ocsarts.net/</p> <p>The Legacy Fund requests the Authority to make a loan (the “Borrower Loan”) in the aggregate principal amount not to exceed \$33,000,000 to the Borrower for the purpose of financing and refinancing the costs of issuance and the cost of acquiring, constructing, installing, improving, equipping and furnishing the educational and related facilities located in Santa Ana, California, specifically at these addresses: 800 North Bush Street, 801 North Main Street, 902 North Main Street, 906 North Main Street, 1000 North Main Street, 1010 North Main Street, 1018 North Main Street, 1104 North Main Street, 1107 North Main Street, 1110 North Main Street, 123 East 11th Street, 900 North Sycamore Street, 912 North Sycamore Street, 921 North Sycamore Street, 839 North Broadway, 843 North Broadway, 845 North Broadway, 915 North Broadway, 919 North Broadway, 201 West Washington Avenue, and 207 West Washington Avenue.</p>
Public Benefits	The borrower provides significant benefits to the local residents and surrounding community through the educational and arts facilities they provide and the financing and refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate. The borrower also has been a powerful economic engine in the community, contributing as an employer, producer, consumer and key promoter of its city and region.
TEFRA Hearing	A public hearing is scheduled to be held by the City of Santa Ana City Council on June 7, 2016.
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 16-69 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 Acquiring, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of

	The Legacy Fund, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
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RESOLUTION NO. 16-69

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 AND REFINANCING THE COST OF ACQUIRING, CONSTRUCTING, INSTALLING, IMPROVING, EQUIPPING AND FURNISHING CERTAIN EDUCATIONAL FACILITIES FOR THE BENEFIT OF THE LEGACY FUND, 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 carrying out its purposes; and

WHEREAS, The Legacy Fund, a California nonprofit public benefit 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 \$33,000,000 to the Borrower for the purpose of financing and refinancing the cost of acquiring, constructing, installing, improving, equipping and furnishing the educational and related facilities located at 800 North Bush Street, 801 North Main Street, 902 North Main Street, 906 North Main Street, 1000 North Main Street, 1010 North Main Street, 1018 North Main Street, 1104 North Main Street, 1107 North Main Street, 1110 North Main Street, 123 East 11th Street, 900 North

Sycamore Street, 912 North Sycamore Street, 921 North Sycamore Street, 839 North Broadway, 843 North Broadway, 845 North Broadway, 915 North Broadway, 919 North Broadway, 201 West Washington Avenue, and 207 West Washington Avenue, Santa Ana, California (the “Facilities”) and paying certain costs of issuance in connection with the Loan (as defined below); and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt loan from Farmers and Merchants Bank of Long Beach (the “Lender”) to the Authority (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 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”); and

WHEREAS, the Facilities provide significant benefits to the residents of the City and surrounding community through the educational and arts facilities provided by the Borrower and by Orange County School of the Arts, which leases the Facilities, and, based on representations of the Borrower, the financing and refinancing 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 California Enterprise Development Authority, as follows:

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

Section 2. The Authority hereby approves of the entering into the Authority Loan on a tax-exempt and/or taxable basis 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 conditions set forth in Section 9 below, the Authority approves the Authority Loan on a tax-exempt and/or taxable basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$33,000,000 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 counsel to the Authority or the Lender 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 City has held the requisite hearing and the City Council has approved the issuance of the 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 June 2, 2016.

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 June 2, 2016.

Helen Schaubmayer, Assistant Secretary

Staff Report

Action Requested	Approve Resolution 16-70 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 Developing, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of Orangewood Real Property LLC, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Orangewood Real Property LLC
Borrower Description	<p>Orangewood Real Property LLC is a California limited liability company that owns the facilities leased to Samueli Academy, a 501(c)(3) California nonprofit public benefit corporation. Samueli Academy is a charter high school located in Santa Ana serving students in grades 9 through 12 that offers scholastic achievement based on creative, sustainable and entrepreneurial approaches. The Academy’s mission is to provide a transformational learning environment to community, underserved and foster teens that offers consistency, stability, support, and a community in which to belong, thrive, and grow into successful, independent adults.</p> <p>Web site of Facilities Lessee, Samueli Academy: http://samueliacademy.org/</p> <p>Orangewood Real Property LLC requests the Authority to make a loan (in the aggregate principal amount not to exceed \$12,750,000 for the purpose of financing and refinancing the cost of developing, constructing, installing, improving, equipping and furnishing a high school campus on a 7.1 acre parcel of land located at 1901 and 1919 North Fairview Street, Santa Ana, California and paying costs of issuance in connection with the loan.</p>
Public Benefits	The borrower provides significant benefits to the local residents and surrounding community through the educational services provided by the borrower and the lessee of the Facilities, Samueli Academy, and the financing and refinancing of the facilities through the Authority will result in notable savings in effective interest rate.
TEFRA Hearing	A public hearing is scheduled to be held by the City of Santa Ana City Council on June 7, 2016.
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 Polices 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 16-70 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 Developing, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of Orangewood Real Property LLC, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 16-70

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 AND REFINANCING THE COST OF DEVELOPING, CONSTRUCTING, INSTALLING, IMPROVING, EQUIPPING AND FURNISHING CERTAIN EDUCATIONAL FACILITIES FOR THE BENEFIT OF ORANGEWOOD REAL PROPERTY LLC, 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 carrying out its purposes; and

WHEREAS, Orangewood Real Property LLC, a California limited liability company (the "Borrower"), whose sole member is Orangewood Foundation, a California nonprofit public benefit corporation, 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 \$12,750,000 to the Borrower for the purpose of financing and refinancing the cost of developing, constructing, installing, improving, equipping and furnishing a high school campus on a 7.1 acre parcel of land located at 1901 and 1919 North Fairview Street, Santa Ana, California (the "Facilities") and paying certain costs of issuance in connection with the Loan (as defined below); and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt and/or taxable loan from Farmers and Merchants Bank of Long Beach (the “Lender”) to the Authority (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 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”); and

WHEREAS, the Facilities provide significant benefits to the residents of the City and surrounding community through the educational services provided by the Borrower and the lessee of the Facilities, Samueli Academy, a California nonprofit public benefit corporation and charter school, and, based on representations of the Borrower, the financing and refinancing 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 California Enterprise Development Authority, as follows:

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

Section 2. The Authority hereby approves of the entering into the Authority Loan on a tax-exempt and/or taxable basis 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 conditions set forth in Section 9 below, the Authority approves the Authority Loan on a tax-exempt and/or taxable basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$12,750,000 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 counsel to the Authority or the Lender 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 City has held the requisite hearing and has approved the issuance of the 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 June 2, 2016.

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 June 2, 2016.

Helen Schaubmayer, Assistant Secretary