

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, June 16, 2022

Zoom Call Information

<https://us02web.zoom.us/j/84338430867?pwd=TDQ5U1k2S24vamlsZ1FBN2lFUnowZz09>

Meeting ID: 843 3843 0867

Passcode: 404786

One tap mobile

+16699006833,,84338430867#,,,,*404786# US (San Jose)

+13462487799,,84338430867#,,,,*404786# 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/84338430867?pwd=TDQ5U1k2S24vamlsZ1FBN2lFUnowZz09>

Call to Order and Roll Call

Statement of Disclosure

Action Items

1. Consent Agenda
 - a. Approve Minutes from the Regular Business Meeting on June 9, 2022.
2. Approve Resolution 22-34 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 and Refinancing the Cost of the Acquisition, Construction, Installation, Rehabilitation, Equipping, and/or Furnishing of Certain Facilities for the Benefit of Progress Foundation and/or a Related or Successor Entity; 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

This agenda can be obtained at <https://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. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

ZOOM CALL

CEDA BOARD OF DIRECTORS

Thursday, June 9, 2022

Zoom Call Location

<https://us02web.zoom.us/j/89012248552?pwd=a0oxQ2VpUTIJbDI1ckY4aVVOV1ZFQT09>

Meeting ID: 890 1224 8552

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:30 a.m.

Roll Call

Members Present:

Bob Burris (10:32)
Christine Damko
Jessica Gonzales
Aaron laurel (10:32)
Josh Metz (10:31)
Gurbax Sahota
Larry Vaupel

CALED Management/

Staff Present:

Michelle Stephens

Public:

Sam Balisy, Kutak Rock
Peter Grabell, Dividend Finance
Davis Mnatsakanyan, Kutak Rock
Jacob Roth, Dividend Finance

Statement of Disclosure

Action Items

1. Approve Consent Agenda
 - a. Approve Minutes from the Annual & Founder's Meeting on May 10, 2022.
 - b. Approve Minutes from the Regular Business Meeting on May 19, 2022.
 - c. Approve Resolution 22-30 of the California Enterprise Development Authority Authorizing Public Meetings to be held via Teleconferencing Pursuant to Government Code Section 54953(E) and Making Findings and Determinations Regarding The Same.

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

The motion passed with the following roll call vote:

Christine Damko
Jessica Gonzales
Gurbax Sahota
Larry Vaupel

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

2. Approve Resolution 22-31 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection With and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Seismic Strengthening, Electric Vehicle Charging Infrastructure, and Wildfire Suppression and Safety Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions Matters Relating Thereto Herein Specified in the County of San Diego.

Discussion: Chair Gurbax Sahota opened the Public Hearing. Upon hearing no comments, she closed the Public Hearing. Michelle Stephens gave the staff report.

Motion: *Board Member Josh Metz made the motion to approve Resolution 22-31. Board Member Aaron Laurel seconded the motion on the floor.*

The motion passed with the following roll call vote:

Bob Burris
Christine Damko
Jessica Gonzales
Aaron Laurel
Josh Metz
Gurbax Sahota
Larry Vaupel

3. Approve Resolution 22-32 of the California Enterprise Development Authority Making Determinations With Respect to the Financing and Refinancing of Facilities for the Benefit of Rogers Family Real Estate Partnership, LP, a California Limited Partnership, JBR, Inc., a California Corporation, and/or a Related or Successor Entity, and Declaring Its Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness and Authorizing Related Actions.

Discussion: Michelle gave the staff report.

Motion: *Board Member Larry Vaupel made the motion to approve Resolution 22-32. Board Member Jessica Gonzales seconded the motion on the floor.*

The motion passed with the following roll call vote:

Bob Burris
Christine Damko
Jessica Gonzales
Aaron Laurel
Josh Metz
Gurbax Sahota
Larry Vaupel

2. 2. Approve Resolution 22-33 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 and/or Reimbursing the Cost of the Acquisition, Construction, Installation, Equipping, and Furnishing of Certain Facilities for the Benefit of Hope of the Valley Rescue Mission and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Specified.

Discussion: Michelle gave the staff report. Sam Balisy added that this financing is to refinance a taxable deal to acquire the organization's headquarters.

Motion: Board Member Josh Metz made the motion to approve Resolution 22-33. Board Member Jessica Gonzales seconded the motion on the floor.

The motion passed with the following roll call vote:

Bob Burris
Christine Damko
Jessica Gonzales
Aaron Laurel
Josh Metz
Gurbax Sahota
Larry Vaupel

Public Comment

None

Chair Report:

Board Chair Gurbax Sahota let the Board know that the CEDA Business meeting was scheduled for June 23rd and asked members to try to make the meeting.

She also noted that CEDA had received a FOIA request and while the back and forth was happening with the filer, the time limit was met, and the filer filed a petition with San Diego County. Kutak Rock had been in the process of uploading the requested documents when this petition was filed and as a result, the petitioner dismissed his case based on the files being provided.

PACE Report

Peter Grabell noted that levying season had begun so CEDA would have some paperwork associated with that.

Other Business

None

Adjournment

Motion: Christine Damko made the motion to adjourn the meeting. Larry Vaupel seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:46 am after the roll call vote.

The motion passed with the following roll call vote:

Bob Burris
Christine Damko
Jessica Gonzales
Aaron Laurel
Josh Metz
Gurbax Sahota
Larry Vaupel

Staff Report

Action Requested	Approve Resolution 22-34 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 and Refinancing the Cost of the Acquisition, Construction, Installation, Rehabilitation, Equipping, and/or Furnishing of Certain Facilities for the Benefit of Progress Foundation and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Progress Foundation
Borrower Description	<p>Progress Foundation was founded in 1969 amidst the de-institutionalization movement, and has been run by Executive Director Steve Fields ever since. This reform effort sought to move people from state psychiatric hospitals back into the community. However, local treatment systems were ill-equipped to support individuals with mental illness. For the next three decades, Progress Foundation developed supportive, community-based programs to support these clients—and keep them from returning to institutions or correctional facilities.</p> <p>Today, Progress Foundation operates 19 programs across San Francisco, Sonoma, and Napa counties, serving more than 3,000 individuals annually. They do not turn away any category of client, and do work with those with multiple challenges, including alcohol and substance abuse, major health problems, and criminal-justice histories.</p> <p>Progress Foundation has submitted an application to the Authority requesting the Authority to make a tax exempt loan in the aggregate principal amount not to exceed \$7,500,000 to refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were used to finance and refinance the cost of the acquisition, construction, installation, rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities owned by the Borrower and located at 3400 Montgomery Drive, Santa Rosa, 50 Shrader Street, 368 Fell Street, 25 Beulah Street, 212 Ashbury Street, 2210 Clay Street, 1443 7th Avenue, 405 Baker Street, and 50-54 Dore Street, all in San Francisco, California.</p>
Public Benefits	The tax-exempt financing will allow Progress Foundation to realize savings that can be put into purchasing and rehabilitating real property.
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 22-34 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 and Refinancing the Cost of the Acquisition, Construction, Installation, Rehabilitation, Equipping, and/or Furnishing of Certain Facilities for the Benefit of Progress Foundation and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 22-34

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 ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, REHABILITATION, EQUIPPING, AND/OR FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF PROGRESS FOUNDATION AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT 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;

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”);

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;

WHEREAS, each of the City and County of San Francisco (the “City”) and the County of Sonoma (the “County”) is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

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;

WHEREAS, Progress Foundation (the “Borrower”), a California 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 submitted an application to the Authority requesting the Authority to make a tax exempt loan (the “Borrower Loan”) in the aggregate principal amount not to exceed \$7,500,000 to the Borrower to: (i) refinance outstanding indebtedness incurred by

the Borrower, the proceeds of which were used to finance and refinance the cost of the acquisition, construction, installation, rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities owned by the Borrower and located at 3400 Montgomery Drive, Santa Rosa, California 95405, 50 Shrader Street, San Francisco, California 94117, 368 Fell Street, San Francisco, California 94102, 25 Beulah Street, San Francisco, California 94117, 212 Ashbury Street, San Francisco, California 94117, 2210 Clay Street, San Francisco, California 94115, 1443 7th Avenue, San Francisco, California 94122, 405 Baker Street, San Francisco, California 94117 and 50-54 Dore Street, San Francisco, California 94103 (collectively, the “Facilities”), and (ii) pay various transaction costs and related costs;

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from First Republic Bank, a California state chartered banking corporation, or a related or successor entity (the “Lender”), to the Authority (collectively, the “Authority Loan”) to make the Borrower Loan;

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;

WHEREAS, based on representations of the Borrower, the Borrower and the Facilities provide significant benefits to the residents of the City and the County and surrounding community by the operation of the Facilities in connection with the Borrower’s tax-exempt mission of providing community-based residential treatment and supported housing programs as alternatives to institutional treatment for individuals with mental disabilities and for the management and administration of such programs; and

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

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

Section 1. The Authority finds it is in the public interest to assist the Borrower in financing, refinancing and/or reimbursing the Borrower in connection with the Facilities.

Section 2. 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 the 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. 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 \$7,500,000 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 of California 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 the Lender to an affiliate of the 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 each of the City and the County has held the requisite hearing and each of the City Council of the City and the Board of Supervisors of the County has approved the making 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 16th day of June, 2022.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Michelle Stephens, 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 16, 2022.

Michelle Stephens, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Progress Foundation, a California nonprofit public benefit corporation (the “Borrower”), 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 June 16, 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 \$7,500,000 (the “Obligations”).

1. First Republic Bank, as a private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - 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): 3.0084%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$153,000 (which includes, among other fees, the conduit issuer fee)
 - 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: \$7,347,000
 - 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): \$11,226,218
2. The good faith estimates provided above were based on the 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.