

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## REGULAR MEETING

\*\*\*TELECONFERENCE MEETING NOTICE and AGENDA\*\*\*

### LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, July 30, 2020

#### Zoom Call Information

<https://us02web.zoom.us/j/84584347848?pwd=YzIwS2FyY1ppRFc2MVRzZnpUZVFldz09>

Meeting ID: 845 8434 7848

Password: 362791

One tap mobile

+14086380968,,84584347848#,,,,,0#,,362791# US (San Jose)

+16699006833,,84584347848#,,,,,0#,,362791# US (San Jose)

Dial by your location

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 312 626 6799 US (Chicago)

+1 301 715 8592 US (Germantown)

+1 646 876 9923 US (New York)

*Pursuant to the Governor's Executive Order N-29-20, 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 Livestream*

*(<https://us02web.zoom.us/j/84584347848?pwd=YzIwS2FyY1ppRFc2MVRzZnpUZVFldz09>) and to submit comments in writing to by 7:00 pm on July 29, 2020.*

*To submit a comment in writing, please email [alphonse@caled.org](mailto:alphonse@caled.org) and write "Public Comment" in the subject line. In the body of the email, include the item number and/or title of the item as well as your comments.*

### Call to Order and Roll Call

#### Statement of Disclosure

#### Action Items

1. Consent Agenda
  - a. Approve Minutes from the Regular Meeting on July 2, 2020
2. Approve Resolution 20-22 of the California Enterprise Development 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, Improving, Renovating, Remodeling, Furnishing and Equipping Certain Facilities for the Benefit of the Bishop's School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto.
3. Approve Resolution 20-23 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 or refinancing the acquisition, construction, Renovation, Rehabilitation, Improvement and/or Equipping of Educational and Related Facilities for the Benefit of San Francisco Friends School, and/or a Related or Successor Entity; Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto Herein Specified.
4. Approve the use of Previously Allocated \$5,000 Contribution to the Academy Memorial Scholarship for the CALED Annual Conference for Scholarships for other Economic Development Training Events.

#### Public Comment

2150 River Plaza Drive, Suite 275, Sacramento, CA 95833 • (916) 448-8252, ext. 12

## **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**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.

**MINUTES**  
**Regular Meeting**  
**\*\*\*ZOOM CALL\*\*\***  
**CEDA BOARD OF DIRECTORS**  
**Thursday, July 2, 2020**

**Zoom Call Location**

<https://us04web.zoom.us/j/76153034622?pwd=SE5scVIyUEpLVGF2RXJUNCthd0lrQT09>

Meeting ID: 761 5303 4622  
Password: 8X9QKf

**Call to Order**

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

**Roll Call**

Members Present:

Keith Boggs\* 10:37am  
Jason Crawford  
Aaron Laurel  
Gurbax Sahota  
Larry Vaupel

CALED Management/  
Staff Present:

Michelle Stephens  
Alphonse Wilfred

Public:

Bernhard was on  
Sam Balisy, Kutak Rock  
Geoff Benn, San Francisco Waldorf School  
Peter Grabell, Dividend Finance  
Susan Wayland, San Francisco Day School  
Josh Winter, Western Solutions

**Statement of Disclosure**

**Action Items**

1. Approve Consent Agenda.
  - a. Approve Minutes from the Regular Meeting on June 11, 2020 and the Founders Meeting on June 18, 2020.
  - b. Approve Resolution 20-17 Approving Associate Membership by the County of San Benito in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to the Associate Membership of the County in the Authority.
  - c. Approve Resolution 20-18 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the County of San Benito.

**Motion:** Board Member Jason Crawford made the motion to approve the Consent Agenda. Board Member Larry Vaupel seconded the motion on the floor.

*The motion passed with the following roll call vote:*

Jason Crawford	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye

Larry Vaupel                      Aye

2. Approve Resolution 20-19 of the California Enterprise Development Authority Authorizing and Approving a Master Loan Agreement Pursuant to which the California Enterprise Development Authority will Make Loans in an Aggregate Amount not to Exceed \$20,000,000 for the Purpose of Financing and Refinancing the Construction, Renovation, Improvement, and Equipping of Certain Educational and Related Facilities for the Benefit of San Francisco Day School, Providing the Terms and Conditions for such Master Loan Agreement and other Matters Relating Thereto Herein Specified.

**Discussion:** Michelle gave a staff report for San Francisco Day School, which is requesting financing which will be towards construction of their facilities, additional educational space, and faculty housing. Susan Wayland from San Francisco Day School expressed her excitement and appreciation for this financing. Larry Vaupel asked if they were using affordable housing vouchers to finance the faculty housing, to which Susan said they were non-profit, so they could not access the credits.

**Motion:** Board Member Larry Vaupel made the motion to approve Resolution 20-19. Board Member Keith Boggs seconded the motion on the floor.

*The motion passed with the following roll call vote:*

Keith Boggs	Aye
Jason Crawford	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Larry Vaupel	Aye

3. Approve Resolution 20-20 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 or Refinancing the Cost of Acquiring, Developing, Constructing, Installing, Equipping and Furnishing Educational and Related Facilities to be Owned and Operated by San Francisco Waldorf School Association; Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Discussion:** Michelle gave a staff report for San Francisco Waldorf School, which is requesting \$25 million for construction of a new facility and expansion to campus. Josh Winter explained to the board that this project will help them refinance a project and provide new financing for the aforementioned projects. Geoff Benn from the San Francisco Waldorf School discussed the different projects that will be completed.

**Motion:** Board Member Larry Vaupel made the motion to approve Resolution 20-20. Board Member Jason Crawford seconded the motion on the floor.

*The motion passed with the following roll call vote:*

Keith Boggs	Aye
Jason Crawford	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Larry Vaupel	Aye

**Public Hearing**

Chair Sahota opened the public hearing. Upon hearing no comments, she closed the hearing.

- 4. Approve Resolution 20-21 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 Distributed Generation Renewable Energy Sources, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure and Water Efficiency Improvements; Confirming Assessments to be Levied within the Parameters of the Report; and Taking Certain other Actions – City of Alameda.

**Discussion:** Peter Grabell updated the board that they will be able to include a PACE project within the next 90 days in the City of Alameda.

**Motion:** Board Member Larry Vaupel made the motion to approve Resolution 20-21. Board Member Aaron Laurel seconded the motion on the floor.

*The motion passed with the following roll call vote:*

Keith Boggs	Aye
Jason Crawford	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Larry Vaupel	Aye

**Public Comment**

**Chair Report**

Michelle reminded the board that if their position has changed, they will need to updated the FPPC Form 700.

**PACE Report**

Peter stated that California has only one delinquency for PACE bonds.

**Other Business**

**Adjournment**

**Motion:** Keith Boggs made the motion to adjourn the meeting. Larry Vaupel seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:49 am after the roll call vote.

*The motion passed with the following roll call vote:*

Keith Boggs	Aye
Jason Crawford	Aye
Jessica Gonzales	Aye
Gurbax Sahota	Aye
Larry Vaupel	Aye

## Staff Report

<b>Action Requested</b>	Approve Resolution 20-22 of the California Enterprise Development 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, Improving, Renovating, Remodeling, Furnishing and Equipping Certain Facilities for the Benefit of The Bishop’s School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto.
<b>Borrower(s)</b>	The Bishop’s School
<b>Borrower Description</b>	<p>The Bishop’s School is an academic community pursuing intellectual, artistic, and athletic excellence in the context of the Episcopal tradition. They are dedicated to offering the highest quality education to a diverse student body and to fostering integrity, imagination, moral responsibility, and commitment to serving the larger community.</p> <p>They honor and embrace diverse identities such as age, culture, ethnicity, family structure, gender and gender identity, group affiliation, national origin, physical and mental ability, race, religion, sexual orientation, and socioeconomic status. Because diversity enriches the exchange of ideas, they foster a physically and emotionally safe environment in which different experiences, thoughts and opinions are respectfully expressed and respectfully heard. Such an environment allows every individual to thrive in and contribute to our global community.</p> <p>The Bishop's School has requested to make a loan in the aggregate principal amount of not to exceed \$17,500,000 to:</p> <ul style="list-style-type: none"> <li>- Refinance prior obligations, the proceeds of which were used to finance and refinance the construction, renovation, retrofitting, improvement and equipping of the Borrower’s educational and administrative facilities located at 7607 La Jolla Boulevard, La Jolla, California 92037 to be owned and operated by The Bishop’s School and</li> <li>- Pay certain costs of issuance in connection with such refinancing.</li> </ul>
<b>Public Benefits</b>	The tax-exempt financing will allow The Bishop’s School to realize savings that can be put into purchasing and rehabilitating real property.
<b>Eligibility and Policy Review</b>	<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"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; and</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 20-22 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, Improving, Renovating, Remodeling, Furnishing and Equipping Certain Facilities for the Benefit of The Bishop’s School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto.

## RESOLUTION NO. 20-22

### CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

#### **RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT 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, IMPROVING, RENOVATING, REMODELING, FURNISHING AND EQUIPPING CERTAIN FACILITIES FOR THE BENEFIT OF THE BISHOP'S SCHOOL, PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO**

**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 "JPA 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 "Issuer") was organized; and

**WHEREAS**, the Issuer 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 Issuer 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 County of San Diego (the "County") is an associate member of the Issuer 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; and

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

**WHEREAS**, The Bishop's School, a California nonprofit corporation (the "Borrower"), has submitted an application to the Issuer requesting the issuer to make a loan in the aggregate principal amount of not to exceed \$17,500,000 to the Borrower to (i) refinance prior obligations of the Borrower, the proceeds of which were used to finance and refinance the construction, renovation, retrofitting, improvement and equipping of the Borrower's educational and administrative facilities located at 7607 La Jolla Boulevard, La Jolla, California 92037 to be

owned and operated by the Borrower (the “Facilities”) and (ii) pay certain costs of issuance in connection with such refinancing; and

**WHEREAS**, pursuant to a loan agreement, dated as of July 1, 2020 (or such other date as approved by the Issuer) (the “Loan Agreement”), among the Lender, the Issuer and the Borrower, the Lender will make a loan (the “Issuer Loan”) to the Issuer, and the Issuer will loan the proceeds of the Issuer Loan to the Borrower (the “Borrower Loan” and, together with the Issuer Loan, the “Loans”) for the purpose, among others, of refinancing the Facilities ; and

**WHEREAS**, based on representations of the Borrower, the Borrower is expected to provide significant public benefits to the residents of the County and surrounding communities and the refinancing for the Borrower through the Issuer will result in demonstrable savings in effective interest rate; and

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

1. A proposed form of the Loan Agreement; and
2. A proposed form of Assignment Agreement, between the Issuer and the Lender (the “Assignment Agreement”); 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 Issuer by the Borrower based on a good faith estimates by the Lender;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the California Enterprise Development Authority (the “Board”), as follows:

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

**Section 2.** The Issuer hereby approves of the entering into the Issuer 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 Issuer understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Issuer’s payments under the Issuer Loan. The payments to be made by the Issuer to the Lender under the Issuer Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Issuer) under the Borrower Loan.

**Section 3.** The proposed form of the Loan Agreement by and among the Lender, the Issuer and the Borrower, on file with the Secretary of the Issuer, 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 Issuer, to execute and deliver the Loan Agreement in substantially the form filed with the Issuer 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 Issuer, may require or approve, such approval to be



conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Issuer is authorized to attest the execution of the Loan Agreement.

**Section 4.** The proposed form of the Assignment Agreement by and between the Issuer and the Lender, on file with the Secretary of the Issuer, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Issuer, to execute and deliver the Assignment Agreement in substantially the form filed with the Issuer 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 Issuer, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Issuer is authorized to attest the execution of the Assignment Agreement.

**Section 5.** The Issuer approves the Issuer 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 \$17,500,000 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 Issuer Loan shall be made solely from the revenues to be received by the Issuer from the Borrower Loan pursuant to the Loan Agreement, and the Issuer Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Issuer 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 Issuer, 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 Issuer with respect to the Issuer Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Issuer 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 Issuer's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Issuer Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Issuer 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.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 30<sup>th</sup> day of July, 2020.

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 July 30, 2020.

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Michelle Stephens, Assistant Secretary

ATTACHMENT I  
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, The Bishop's School, a California nonprofit public benefit corporation (the "Borrower"), has provided the following required information to the California Enterprise Development Authority (the "Issuer"), as conduit financing provider, prior to the Issuer's regular meeting on July 30, 2020 (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 \$17,500,000 (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): 2.3701% (assuming an interest rate of 2.25%)
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$150,000
  - 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: \$17,500,000 (before payment of amount shown in subparagraph (B))
  - 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): \$20,817,049.45
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 Issuer is authorized to make this document available to the public at the Meeting of the Issuer.

## Staff Report

<b>Action Requested</b>	Approve Resolution 20-23 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 or refinancing the acquisition, construction, Renovation, Rehabilitation, Improvement and/or Equipping of Educational and Related Facilities for the Benefit of San Francisco Friends School, and/or a Related or Successor Entity; Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	San Francisco Friends School
<b>Borrower Description</b>	<p>At San Francisco Friends School, students learn in a community grounded in the Quaker values of reflection, integrity, peaceful problem-solving, and stewardship. Teachers challenge students with a dynamic curriculum that inspires curiosity, cooperation, and hard work. The School teaches children to listen to all voices and to trust their own. The students engage with the world around them with kindness and conviction, working toward the Quaker ideal of a caring and just society. A Friends education is:</p> <ul style="list-style-type: none"> <li>- Inquiry based, honoring questioning, deep study and process</li> <li>- Highly participatory, requiring nuanced communication</li> <li>- Intellectually challenging, stimulating curiosity and rewarding effort</li> <li>- Reflective, taking time for complexity</li> <li>- Purposeful, action oriented, in and of the world</li> <li>- Respectful and inclusive of all</li> </ul> <p>San Francisco Friends School has requested that the Authority facilitate the issuance of revenue obligations in an aggregate principal amount not to exceed \$25,000,000 to:</p> <ul style="list-style-type: none"> <li>- Refinance certain indebtedness that previously financed costs relating to the acquisition, construction, renovation, rehabilitation, improvement and/or equipping of its educational facilities located at 250 Valencia Street, San Francisco, California 94103</li> <li>- Finance and/or reimburse the cost of additional construction, renovation, rehabilitation, improvement and/or equipping the property, and</li> <li>- Pay various transaction costs and related costs.</li> </ul>
<b>Public Benefits</b>	The tax-exempt financing will allow San Francisco Friends School to realize savings that can be put into purchasing and rehabilitating real property.
<b>Eligibility and Policy Review</b>	<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"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; and</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 20-23 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 or refinancing the acquisition, construction, Renovation, Rehabilitation, Improvement and/or Equipping of Educational and Related Facilities for the Benefit of San Francisco Friends School, 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. 20-23**

**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 OR REFINANCING THE ACQUISITION, CONSTRUCTION, RENOVATION, REHABILITATION, IMPROVEMENT AND/OR EQUIPPING OF EDUCATIONAL AND RELATED FACILITIES FOR THE BENEFIT OF SAN FRANCISCO FRIENDS SCHOOL, 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; 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**, City and County of San Francisco (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** San Francisco Friends School, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California and an organization described in Section 501(c)(3) of the Code, or a related or successor entity (the "Borrower"), has requested that the Authority facilitate the issuance of revenue obligations in an aggregate principal amount not to exceed \$25,000,000 (the "Obligations"), the proceeds of which are to be loaned to the Borrower to (a) refinance certain indebtedness that previously financed costs relating to the acquisition, construction, renovation, rehabilitation, improvement and/or equipping of its



educational facilities (the “Prior Project”) located at 250 Valencia Street, San Francisco, California 94103 (the “Property”); (b) to finance and/or reimburse the Borrower for the cost of additional construction, renovation, rehabilitation, improvement and/or equipping of the Property (collectively, the “New Project” and, together with the Prior Project, the “Project”), and (c) to pay various transaction costs and related costs; 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 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 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 Authority Loan, 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 Project provides significant benefits to the residents of the City and surrounding community through the educational services provided by the Borrower and, based on representations of the Borrower, the financing and refinancing of the Project 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 and/or refinancing the Project.

**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 \$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 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 Property, 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 City has held the requisite hearing and the Board of Supervisors of the City 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 30<sup>th</sup> day of July 2020.

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 July 30, 2020.

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Michelle Stephens, Assistant Secretary

## Attachment I

### PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, San Francisco Friends School, 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 July 30, 2020 (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:
  - 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): 2.5971%.
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$132,500.00.
  - 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: \$24,867,500.00.
  - 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): \$33,743,690.98.
2. The good faith estimates provided above were based on information which was presented to 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.

## Staff Report

<b>Action Requested</b>	Approve the use of previously allocated \$5,000 contribution to the Academy Memorial Scholarship for the CALED Annual Conference for scholarships for other economic development training events.
<b>Staff Discussion</b>	<p>On December 5, 2019, the CEDA Board approved a contribution of \$5,000 to the Academy to be allocated to the Memorial Scholarship program designated for the CALED annual conference. However, in light of the 2020 COVID-19 pandemic, the CALED conference has been canceled and staff now recommends that this money be unrestricted to provide scholarships for other economic development training opportunities, at the discretion of the Executive Director and/or the Academy Board of Regents.</p> <p>CEDA was created with the intent to give back to economic development. As such, the CEDA Board of Directors has the authority to contribute funds deemed as surplus to organizations for economic development purposes.</p> <p>The California Academy for Economic Development (CAED or Academy) is a center devoted to Economic Development training, education, and research. Some components of the Academy's mission are to educate economic development professionals and officials, conduct supportive research, and provide new business information and resources to local economic development professionals.</p>
<b>Eligibility and Policy Review</b>	CEDA staff has reviewed the bylaws and Joint Powers Agreement. The request is part of Article VI; Section 6.4, which permits moneys held by the Authority and deemed surplus may be allocated as directed by the Board for economic development purposes.
<b>Recommendation</b>	Approve the use of previously allocated \$5,000 contribution to the Academy Memorial Scholarship for the CALED Annual Conference for scholarships for other economic development training events.