

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, August 22, 2024

Zoom Call Information

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWNKIK.1>

Meeting ID: 830 9095 0409

Passcode: 866446

One tap mobile

+16699006833,,83090950409#,,,,*866446# US (San Jose)

+13462487799,,83090950409#,,,,*866446# US (Houston)

Call to Order and Roll Call

Statement of Disclosure

Action Items

1. Consent Agenda

- a. Approve Minutes from July 18, 2024.

2. Approve Resolution No. 24-12 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, Improvement, Furnishing, and Equipping of Certain Healthcare Facilities for the Benefit of Neighborhood Healthcare, 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

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 Michelle Stephens) 2150 River Plaza Dr., Suite 275 Sacramento, CA 95833	City of Vista (Contact Larry Vaupel) 200 Civic Center Vista, CA 92084	Opportunity Stanislaus (Contact Dave White) 1625 I Street Modesto, CA 95354
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Rural County Representatives of California (Contact Robert Burris) 1215 K Street, Suite 1650 Sacramento, CA 95814	City of West Sacramento (Contact Aaron Laurel or Sandra Barcnas) 1110 West Capitol Avenue, 3 rd Floor West Sacramento, CA 95691	City of Carson (Contact Eric Romero) 701 E. Carson Street Carson, CA 90745
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City of Ontario (Contact Jennifer Hiramoto) 303 E. B Street Ontario, CA 91764	Josh Metz (Contact Josh Metz) 5753 Desoto Dr. Santa Rosa, Ca 95409
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This agenda can be obtained at <https://ceda.caled.org>. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

**MINUTES
REGULAR MEETING
TELECONFERENCE MEETING
CEDA BOARD OF DIRECTORS**

**10:30 A.M.
Thursday, July 18, 2024
Zoom Call Information**

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWNKIK.1>

Meeting ID: 830 9095 0409
Passcode: 866446

Call to Order

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

Roll Call

Members Present:

Robert Burris
Jennifer McLain Hiramoto (10:32)
Josh Metz
Gurbax Sahota
Larry Vaupel

CALED Management/Staff Present:

Ian Gill
Michelle Stephens

Public:

Sam Balisy, Kutak Rock
Thomas Brudder, Kutak Rock
April Cuddihy, Vineyard Academy
Jessica Shaham, Kutak Rock
David Mnatsakanyan, Kutak Rock
Josh Winter, Western Solutions

Statement of Disclosure

None

Action Items

1. Consent Agenda
 - a. Approve Minutes from June 27, 2024.
 - b. Approve Resolution No. 24-08 of the California Enterprise Development Authority Approving Associate Membership by the City of Ontario in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to the Associate Membership of the City in the Authority.

Motion: Board Member Larry Vaupel made the motion to approve the Consent Agenda. Board Member Josh Metz seconded the motion on the floor.

The motion passed with the following roll call vote:

Robert Burris	Yes
Jennifer McLain Hiramoto	Yes
Josh Metz	Yes

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Gurbax Sahota	Yes
Larry Vaupel	Yes

2. Approve Resolution No. 24-09 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount not to Exceed \$6,500,000 to Finance or Refinance the Acquisition, Improvement, and Equipping of Educational Facilities for the Benefit of Vineyard Academy Inc., 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.

Discussion: Michelle Stephens gave the staff report. Josh Winter and April Cuddihy provided a summary of the project.

Motion: Board Member Jennifer McLain Hiramoto made the motion to approve Resolution 24-09. Board Member Robert Burris seconded the motion on the floor.

The motion passed with the following roll call vote:

Robert Burris	Yes
Jennifer McLain Hiramoto	Yes
Josh Metz	Yes
Gurbax Sahota	Yes
Larry Vaupel	Yes

3. Approve Resolution No. 24-10 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$55,500,000 to Finance or Refinance the Acquisition, Renovation, Equipping and Furnishing of Educational Facilities for the Benefit of Real Journey Academies, Inc., 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.

Discussion: Michelle Stephens gave the staff report. Jessica Shaham provided some additional background on Real Journey Academies. Jennifer McLain Hiramoto noted that the City of Ontario discussed this project at a recent council meeting and indicated their full support.

Motion: Board Member Larry Vaupel made the motion to approve Resolution 24-10. Board Member Josh Metz seconded the motion on the floor.

The motion passed with the following roll call vote:

Robert Burris	Yes
Jennifer McLain Hiramoto	Yes
Josh Metz	Yes
Gurbax Sahota	Yes
Larry Vaupel	Yes

4. Approve Resolution No. 24-11 of the California Enterprise Development Authority Making Determinations with Respect to the Issuance of Revenue Bonds to Finance Solid Waste Disposal Facilities for the Benefit of EDCO Waste & Recycling Services, Inc., EDCO Disposal Corporation, EDCO Waste Services LLC, EDCO Transport Services, LLC, and/or a Related or Successor Entity, and Authorizing Related Actions.

Discussion: Michelle Stephens gave the staff report, noting that this resolution is for reimbursement. Sam Balisy provided background on the company, noting that this resolution is in advance of a funding resolution that will come to the board in Fall 2024. Larry Vaupel asked a question about the resolution's effect on monthly utility costs. Discussion ensued.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Motion: Board Member Larry Vaupel made the motion to approve Resolution 24-10. Board Member Josh Metz seconded the motion on the floor.

The motion passed with the following roll call vote:

Robert Burris	Yes
Jennifer McLain Hiramoto	Yes
Josh Metz	Yes
Gurbax Sahota	Yes
Larry Vaupel	Yes

Public Comment

None

Chair Report

Chair Gurbax Sahota reiterated the importance of posting and meeting attendance, in response to the recent difficulty of gathering a quorum. In addition, Chair Sahota discussed some recent and upcoming conversations that she and Michelle Stephens had with potential project partners.

Other Business

Larry Vaupel noted that he will not be available to meet next week. Sam Balisy estimated that no meeting was necessary next week, but that some will need to occur in early August 2024.

Adjournment

Jennifer McLain Hiramoto made the motion to adjourn the meeting. Larry Vaupel seconded the motion on the floor. Chair Gurbax Sahota adjourned the meeting at 10:52 am after the roll call vote.

The motion passed with the following roll call vote:

Robert Burris	Yes
Jennifer McLain Hiramoto	Yes
Josh Metz	Yes
Gurbax Sahota	Yes
Larry Vaupel	Yes

Staff Report

Action Requested	Approve Resolution No. 24-12 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, Improvement, Furnishing, and Equipping of Certain Healthcare Facilities for the Benefit of Neighborhood Healthcare, 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)	Neighborhood Healthcare
Borrower Description	<p>Operating for over 50 years, Neighborhood Healthcare is a private, non-profit 501(C) (3) community health organization that serves over 87,000 people annually. With more than 22 locations throughout San Diego and Riverside counties, Neighborhood Healthcare seeks to improve the health and happiness of the communities they serve by providing quality care to all, regardless of situation or circumstance.</p> <p>The aggregate principal amount will be used to finance the acquisition, construction, improvement, furnishing, and equipping of Neighborhood Healthcare’s facilities.</p>
Public Benefits	The tax-exempt financing will allow Neighborhood Healthcare to continue their mission of improving the health and happiness of communities across Southern California, regardless of situation or circumstance.
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 No. 24-12 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, Improvement, Furnishing, and Equipping of Certain Healthcare Facilities for the Benefit of Neighborhood Healthcare, 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. 24-12

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING, REFINANCING AND/OR REIMBURSING THE COST OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, FURNISHING, AND EQUIPPING OF CERTAIN HEALTHCARE FACILITIES FOR THE BENEFIT OF NEIGHBORHOOD HEALTHCARE, 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, the County of San Diego and the County of Riverside (together with the County of San Diego, the "Counties") are associate members of the Authority and is authorized to acquire and dispose of property, both real and personal;

WHEREAS, Neighborhood Healthcare, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make one or more tax-exempt loans in the aggregate principal amount not to exceed \$6,500,000 to the Borrower (the "Borrower Loans") to (a) finance, refinance, and/or reimburse the cost of acquisition, construction, improvement, furnishing and equipping of property located at (i) 750 and 760 East Valley Parkway, Escondido, California 92025; (ii) 910 East Ohio Avenue, Escondido, California 92025; (iii) 10039 Vine Street, 12539 Laurel Street and 12549 Laurel Street, Lakeside, California 92040; (iv) 425 North Date Street, Escondido, California 92025; (v) 4371 Latham Street, Riverside, California 92501; and (vi) unimproved real property located on Bradley Road near Hotel Drive, Menifee, California 92584 (APN: 336030004), and other

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

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt and/or taxable loans from Zions Bancorporation, N.A., dba California Bank & Trust, a national banking association, and/or a related or successor entity (collectively, the “Lender”), to the Authority (collectively, the “Authority Loans”) to make the Borrower Loans;

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 (the “Assignment Agreement”), by and between the Authority and the Lender.

WHEREAS, based on representations of the Borrower, the Facilities provide significant benefits to the residents of the Counties and surrounding communities through the healthcare services provided by the Borrower to individuals in the San Diego and Riverside communities, and the financing and refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate; and

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Authority Loans and the Borrower Loans, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on a 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 the Authority Loans, the interest with respect to which will be excluded from gross income for federal income tax purposes and/or included in gross income for federal income tax purposes, as provided in the Loan Agreement, and using the proceeds thereof to make the Borrower Loans pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loans will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loans. The payments to be made by the Authority to the Lender under the Authority Loans will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loans.

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

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

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

Section 5. The Authority approves the Authority Loans, the interest with respect to which will be excluded from gross income for federal income tax purposes and/or included in gross income for federal income tax purposes, as provided in the Loan Agreement, and the making of the Borrower Loans to the Borrower in an amount not to exceed \$6,500,000 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 Loans shall be made solely from the revenues to be received by the Authority from the Borrower Loans pursuant to the Loan Agreement, and the Authority Loans shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loans shall bear interest at the rate or rates set forth in the Loan Agreement.

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

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

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

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

Section 9. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County of San Diego and the County of Riverside have held the requisite public hearings and the respective Boards of Supervisors of each such County has approved the making of the Authority Loans pursuant to Section 147(f) of the Code.

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

PASSED AND ADOPTED on August 22, 2024.

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 August 22, 2024.

Michelle Stephens, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Neighborhood Healthcare, 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 August 22, 2024 (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 \$6,500,000 (the “Obligations”).

1. Zions Bancorporation, N.A., dba California Bank & Trust as private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows, which calculations are based on current expectations of the Borrower for an issuance of Obligations in the amount of \$6,500,000:
 - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 6.21917%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$90,000.
 - 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: \$6,410,000.
 - 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): \$10,414,430.46.
2. The good faith estimates provided above were 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.