

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, September 10, 2020

Zoom Call Information

<https://us02web.zoom.us/j/81467166091?pwd=Ui9mT2w5RU92czJvdkl1R0JVVlF4dz09>

Meeting ID: 814 6716 6091

Passcode: 663111

One tap mobile

+16699006833,,81467166091#,,,,,0#,,663111# US (San Jose)

+14086380968,,81467166091#,,,,,0#,,663111# US (San Jose)

Dial by your location	+1 253 215 8782 US (Tacoma)
+1 669 900 6833 US (San Jose)	+1 646 876 9923 US (New York)
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+1 346 248 7799 US (Houston)	+1 312 626 6799 US (Chicago)

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/81467166091?pwd=Ui9mT2w5RU92czJvdkl1R0JVVlF4dz09>)

and to submit comments in writing to by 7:00 pm on September 9, 2020.

To submit a comment in writing, please email michelle@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 August 13, 2020
 - b. Approve Resolution 20-26 of the California Enterprise Development Authority Approving Associate Membership by the City of Rancho Santa Margarita 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.
2. Approve Resolution 20-27 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing or Refinancing the Acquisition, Construction, Renovation, Rehabilitation, Improvement and/or Equipping of Educational and Related Facilities for the Benefit of Casa De Las Campanas, Inc., and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and other Matters Relating thereto herein Specified.
3. Approve Resolution 20-28 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 Acquiring, Developing, Constructing, Installing, Equipping and Furnishing Educational Facilities for the Benefit of the Roman Catholic Bishop of Orange, and/or a Related or Successor Entity; Providing The Terms and Conditions for Such Loan Agreement and other Matters Relating Thereto Herein Specified.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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.

MINUTES
Regular Meeting
*****ZOOM CALL*****
CEDA BOARD OF DIRECTORS
Thursday, August 13, 2020

Zoom Call Location

<https://us02web.zoom.us/j/89135487042?pwd=a1JrbldsSkFJK2tvbHlzZUtpL1IzUT09>

Meeting ID: 891 3548 7042

Password: 198487

Call to Order

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

Roll Call

Members Present:

Keith Boggs
Jason Crawford
Jessica Gonzales
Aaron Laurel
Gurbax Sahota
Larry Vaupel

CALED Management/
Staff Present:

Michelle Stephens
Alphonse Wilfred

Public:

Sam Balisy, Kutak Rock
Peter Grabell, Dividend Finance

Statement of Disclosure

Action Items

1. Approve Consent Agenda.
 - a. Approve Minutes from the Regular Meeting on August 6, 2020.

Motion: *Board Member Aaron Laurel made the motion to approve the Consent Agenda. 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
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Larry Vaupel	Aye

2. Approve Resolution 20-25 of the California Enterprise Development Authority Authorizing and Approving the Issuance of its California Enterprise Development Authority Student Housing Revenue Bonds (Provident Group-SDSU Properties LLC - M@College Project) First-Tier Series 2020A and ITS California Enterprise Development Authority Student Housing Revenue Bonds (Provident Group-SDSU Properties LLC - M@College Project)

Second Tier Series 2020B and the Documents to be Executed by the Authority Relating Thereto and Other Matters Relating Thereto Herein Specified.

Discussion: – Michelle Stephens gave the staff report. The bonds, which will not exceed the amount of \$86,500,000, will be used to finance the acquisition of the Project, known as M@College, a new student housing community. Sam Balisy explained that the group works closely with the SDSU. Aaron Laurel asked if the University’s student housing is being used during COVID-19, to which Sam replied that he did not know.

Motion: *Board Member Aaron Laurel made the motion to approve Resolution 20-25. 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
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Larry Vaupel	Aye

Public Comment

Chair Report

Gurbax told the Board that CEDA has officially started the annual audit. Sam let the board know that they are currently working on projects in the County of San Bernardino.

PACE Report

Peter Grabell discussed with the board that there are two R-PACE projects in Modesto and asked if any of the board members had a contact for the City of Modesto. Keith Boggs said to connect with Jaylen French from the City of Modesto.

Other Business

Adjournment

Motion: *Jessica Gonzales made the motion to adjourn the meeting. Larry Vaupel seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:42 am after the roll call vote.*

The motion passed with the following roll call vote:

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

RESOLUTION NO. 20-26

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY THE CITY OF RANCHO SANTA MARGARITA 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

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 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, pursuant to Section 2.10 of the Agreement, a local agency may be admitted as an associate member of the Authority upon approval of the Board of Directors of the Authority and the adoption by the legislative body of the local agency of a resolution approving an Associate Membership Agreement; and

WHEREAS, the City of Rancho Santa Margarita (the “City”) wishes to join the Authority and has passed the requisite resolution approving the City becoming an associate member of the Authority and has approved an Associate Membership Agreement; and

WHEREAS, the Board of Directors desires to admit the City into the Authority as an associate member;

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

Section 1. The City is hereby admitted as a new associate member of the Authority.

Section 2. The Chair or the Vice Chair of the Board of Directors is hereby authorized to execute the Associate Membership Agreement with the City. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Authority in connection with the Authority’s entry into the Associate Membership Agreement with the City are hereby ratified and confirmed.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 10th day of September, 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 September 10, 2020.

Michelle Stephens, Assistant Secretary

Staff Report

Action Requested	Approve Resolution 20-27 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing or Refinancing the Acquisition, Construction, Renovation, Rehabilitation, Improvement and/or Equipping of Residential, Assisted Living, Memory Care, Skilled Nursing and Related Facilities for the Benefit of Casa de las Campanas, Inc., 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)	Casa de Las Campanas, Inc.
Borrower Description	<p>Casa de las Campanas offers a senior lifestyle focused on personal fulfillment and well-being. They have been bringing San Diego-area seniors a rewarding lifestyle, financial security, and peace of mind for more than 25 years. Casa is where residents can enjoy the retirement they desire. Their goal is to help them do that by striving to be the best Life Plan Community, providing the highest-quality care and services, employing friendly and well-qualified staff who are passionate about their work, and honoring the dignity and worth of all our residents and employees.</p> <p>Casa de las Campanas, Inc. has requested that the Authority facilitate the issuance of revenue obligations in an aggregate principal amount not to exceed \$110,000,000 to be loaned to the Borrower to (a) finance and refinance acquisition, construction, development, improvement, furnishing and equipping of the Borrower's continuing care retirement community located on an approximately 23 acre parcel of land at 18655, 18685, 18695 and 18755 West Bernardo Drive, San Diego, California 92127. This site includes more than 500 residential living, assisted living, memory care, rehabilitation and skilled nursing units together with dining facilities, exercise and wellness facilities, as well as related and ancillary facilities.</p>
Public Benefits	The tax-exempt financing will allow Casa de Las Campanas, Inc. 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 20-27 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing or Refinancing the Acquisition, Construction, Renovation, Rehabilitation, Improvement and/or Equipping of Residential, Assisted Living, Memory Care, Skilled Nursing and Related Facilities for the Benefit of Casa de las Campanas, Inc., 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. 20-27

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 RESIDENTIAL, ASSISTED LIVING, MEMORY CARE, SKILLED NURSING AND RELATED FACILITIES FOR THE BENEFIT OF CASA DE LAS CAMPANAS, INC., 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, County of San Diego (the “County”) 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 Casa de las Campanas, Inc., 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 \$110,000,000 (the “Obligations”), the proceeds of which are to be loaned to the Borrower to (a) finance and refinance acquisition, construction, development, improvement,

furnishing and equipping of the Borrower's continuing care retirement community located on an approximately 23 acre parcel of land at 18655, 18685, 18695 and 18755 West Bernardo Drive, San Diego, California 92127, including more than 500 residential living, assisted living, memory care, rehabilitation and skilled nursing units together with dining facilities, exercise and wellness facilities as well as related and ancillary facilities; and (b) to pay various transaction costs and related costs (the "Project"); and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from one or more lenders, including City National Bank or its successor or assign (collectively, 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, City National Bank, as administrative agent (the "Administrative Agent"), the Authority and the Borrower; and

(b) A proposed form of Assignment Agreement (the "Assignment Agreement"), by and between the Authority and the Administrative Agent; 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 County and surrounding community by providing multi-level housing, non-acute healthcare and related services to the elderly residents of the County, 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 \$110,000,000 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 County has held the requisite hearing 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 10th day of September 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 September 10, 2020.

Michelle Stephens, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Casa de las Campanas, Inc., 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 September 10, 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 \$110,000,000 (the “Obligations”).

1. Herbert J. Sims & Co. Inc., as financial advisor to the Borrower, 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): 2.2934%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$1,170,552.25.
 - 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: \$75,829,448.
 - 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): \$106,443,298.16.
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

Action Requested	Approve Resolution 20-28 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 Acquiring, Developing, Constructing, Installing, Equipping and Furnishing Educational Facilities for the Benefit of the Roman Catholic Bishop of Orange, 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)	Roman Catholic Bishop of Orange
Borrower Description	<p>Santa Margarita Catholic High School began as a dream of the late Bishop William R. Johnson, who saw the need and potential for a Catholic high school in South Orange County. The school opened its doors in the fall of 1987 and the charter class of 216 students graduated in June of 1991. Now home to more than 1,600 students each year, Santa Margarita boasts a dedicated faculty and staff, unmatched academic programs, faith-filled activities and competitive athletics. With more than 10,000 alumni, Santa Margarita Catholic High School continues to produce exceptional graduates – spiritually, intellectually, physically, socially and morally – just as Bishop Johnson envisioned.</p> <p>The Roman Catholic Bishop of Orange has requested that the Authority issuer revenue obligations in an aggregate principal amount not to exceed \$20,000,000, the proceeds of which are to be loaned to the Borrower for the benefit of Santa Margarita Catholic High School to (a) finance and refinance the cost of educational facilities, consisting of classrooms, science building, library, 18,922 square foot administration building, dining hall, fine arts facility, a 18,706 square foot gymnasium and 38,478 athletic building, an outdoor pool, football stadium, baseball fields, all-weather track, tennis courts, and other educational and related facilities, all located on approximately a 33-acre parcel of land at 22062 Antonio Parkway, Rancho Santa Margarita, California.</p>
Public Benefits	The tax-exempt financing will allow the Roman Catholic Bishop of Orange 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 20-28 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 Acquiring, Developing, Constructing, Installing, Equipping and Furnishing Educational Facilities for the Benefit of the Roman Catholic Bishop of Orange, 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. 20-28

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 ACQUIRING, DEVELOPING, CONSTRUCTING, INSTALLING, EQUIPPING AND FURNISHING EDUCATIONAL FACILITIES FOR THE BENEFIT OF THE ROMAN CATHOLIC BISHOP OF ORANGE, 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 of Rancho Santa Margarita (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 The Roman Catholic Bishop of Orange (the "Borrower"), a California religious corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested that the Authority issuer revenue obligations in an aggregate principal amount not to exceed \$20,000,000 (the "Obligations"), the proceeds of which are to be loaned to the Borrower for the benefit of Santa Margarita Catholic High School (the "School") to (a) finance and refinance the cost of educational facilities, consisting of classrooms, science building, library, 18,922 square foot administration building, dining hall, fine

arts facility, a 18,706 square foot gymnasium and 38,478 athletic building, an outdoor pool, football stadium, baseball fields, all-weather track, tennis courts, and other educational and related facilities, all located on approximately a 33-acre parcel of land at 22062 Antonio Parkway, Rancho Santa Margarita, California (collectively, the “Facilities”); and (b) pay certain costs of issuance in connection with such financing; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from First Republic Bank or its successor (the “Lender”), to the Authority (collectively, the “Authority 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 Facilities provide significant benefits to the residents of the City and surrounding community through the educational services provided by the School and, based on representations of the Borrower, the financing and refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

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

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

Section 2. The Authority hereby approves of the entering into the Authority 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 for the benefit of the School in an amount not to exceed \$20,000,000 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 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 City has held the requisite hearing and the City Council 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 10th day of September, 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 September 10, 2020.

Michelle Stephens, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, The Roman Catholic Bishop of Orange, a corporation sole, organized and existing under the laws of the State of California (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 September 10, 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 \$20,000,000 (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): 2.6371%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$230,000 (which includes the lender’s origination fee of 0.5% of the principal amount).
 - 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: \$19,900,000.
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$28,913,845.47.
2. The good faith estimates provided above were based on information which was presented to the governing board of the School, acting on behalf of the Borrower, or presented to the official or officials or committee designated by the governing board of the School to obligate the School and the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the School, acting on behalf 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.