

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, October 14, 2021

Zoom Call Information

<https://us02web.zoom.us/j/81691863229?pwd=YXgvMU43aGptd0RZYzBvVXhTSjBUUT09>

Meeting ID: 816 9186 3229

Passcode: 386835

One tap mobile

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+13462487799,,81691863229#,,, *386835# US (Houston)

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/81691863229?pwd=YXgvMU43aGptd0RZYzBvVXhTSjBUUT09>

and to submit comments in writing to michelle@caled.org by 7:00 pm on Oct 13, 2021.

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 Business Meeting on October 7, 2021.
2. Approve Resolution 21-41 of the California Enterprise Development Authority Authorizing and Approving an Amendment to a Loan Agreement to Provide for one or more Additional Loans, Changing Certain Terms and Conditions of the Loans Made for the Benefit of New Roads School, Authorizing the Execution of Certain Documents Herein Specified and Approving Other Actions with Respect Thereto.

Public Comment

Chair Report

PACE Report

Other Business

Adjournment

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

ZOOM CALL

CEDA BOARD OF DIRECTORS

Thursday, October 7, 2021

Zoom Call Location

<https://us02web.zoom.us/j/82384173363?pwd=VTZkaFZRU0hNaFNMb2NFVjRUa0Jjdz09>

Meeting ID: 775 787 9271

Call to Order

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

Roll Call

Members Present:

Christina Bibler
Robert Burris
Jessica Gonzales
Josh Metz
Gurbax Sahota
Larry Vaupel

CALED Management/

Staff Present:

Laura Cole-Rowe
Michelle Stephens

Public:

Bernard Alvine, Kutak Rock
Sam Balisy, Kutak Rock
David Landon, Coronado Historical Association
Tony Morgan, Presidio Hill School
Jeff Winkle, First Republic Bank

Statement of Disclosure

Action Items

1. Approve Consent Agenda
 - a. Approve Minutes from the Regular Meeting on September 16, 2021.
 - b. Approve Resolution 21-37 Approving Associate Membership by the City of Modesto 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 Christina Bibler seconded the motion on the floor.

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris (abstained)
Jessica Gonzales

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Josh Metz
Gurbax Sahota
Larry Vaupel

2. Approve Resolution 21-38 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 the Cost of the Acquisition, Construction, Development, Improvement, Furnishing and Equipping of Facilities for the Benefit of Coronado Historical Association, Incorporated and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle Stephens gave the staff report. David Landon of the Coronado Historical Association spoke about the history and background of the organization and the building owner's gift of \$5-6 million to the organization.

Motion: *Board Member Christina Bibler made the motion to approve Resolution 21-38. Board Member Josh Metz seconded the motion on the floor.*

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Jessica Gonzales
Josh Metz
Gurbax Sahota
Larry Vaupel

3. Approve Resolution 21-39 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, Improvement, Construction, Furnishing, Developing, and Equipping of Educational Facilities for the Benefit of The Gillispie School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle Stephens gave the staff report. Sam Balisy spoke about the project.

Motion: *Board Member Jessica Gonzales made the motion to approve Resolution 21-39. Board Member Larry Vaupel seconded the motion on the floor.*

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Jessica Gonzales
Josh Metz
Gurbax Sahota
Larry Vaupel

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4. Approve Resolution 21-40 of the California Enterprise Development Authority Authorizing and Approving a Master Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Acquisition, Construction, Renovation, Improvement, and Equipping of Certain Educational Facilities for the Benefit of Presidio Hill School, Providing the Terms and Conditions for Such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle Stephens gave the staff report. Tony Morgan spoke about the school's program and background. Jeff Winkel commented on the project. Josh Metz commented positively on the project.

Motion: Board Member Josh Metz made the motion to approve Resolution 21-40. Board Member Robert Burris seconded the motion on the floor.

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Jessica Gonzales
Josh Metz
Gurbax Sahota
Larry Vaupel

Public Comment

Chair Report:

Gurbax Sahota reported that the audit is almost completed. Josh Metz asked about the approval process. Bond Counsel, Sam Balisy explained that the applicants are screened carefully and risk for the projects is taken on by the banks.

PACE Report

Jacob Roth said that in a couple of weeks there should be a project bond for a new facility in Patterson that is planning to build 500-600 prefabricated homes in Patterson. There will also be a refinance for a residential/commercial project at Mare Island and the Modesto project is moving forward.

Other Business

Adjournment

Motion: Jessica Gonzales made the motion to adjourn the meeting. Christina Bibler seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:54 am after the roll call vote.

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Jessica Gonzales
Josh Metz
Gurbax Sahota
Larry Vaupel

Staff Report

Action Requested	Approve Resolution 21-41 of the California Enterprise Development Authority Authorizing and Approving an Amendment to a Loan Agreement to Provide for one or more Additional Loans, Changing Certain Terms and Conditions of the Loans Made for the Benefit of New Roads School, Authorizing the Execution of Certain Documents Herein Specified and Approving Other Actions with Respect Thereto.
Borrower(s)	New Roads School
Borrower Description	<p>Originally founded in 1995, New Roads believes that education must not only be about the mastery of foundational facts, knowledge, and skills, but a joint venture among students, parents, teachers, and other stakeholders in the educational village of greater Los Angeles. Students must also cultivate habits of mind, habits of character, an ever-expanding awareness of the human situation, and the tools needed for intellectual, social, political, and moral participation as well as personal fulfillment. To be truly supportive of young people, the New Roads village — teachers, parents, and other adults — must themselves continue to learn so that they may perceive the young accurately and treat them wisely.</p> <p>To prepare young people to navigate, contribute to, and improve the quality of life and opportunities for themselves and others as well as to journey on the road untraveled, New Roads upholds certain commitments and expectations for them.</p> <p>The proceeds will be used to acquire the property including an approximately 9,700 square foot building on Franklin Street and the acquisition, improvement, equipping, and furnishing of the real property and improvements comprising the Borrower's educational facilities, located at 3131 Olympic Boulevard, Santa Monica, CA.</p>
Public Benefits	The tax-exempt financing will allow New Roads School to realize savings that can be put into 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 21-41 of the California Enterprise Development Authority Authorizing and Approving an Amendment to a Loan Agreement to Provide for one or more Additional Loans, Changing Certain Terms and Conditions of the Loans Made for the Benefit of New Roads School, Authorizing the Execution of Certain Documents Herein Specified and Approving Other Actions with Respect Thereto.

RESOLUTION NO. 21-41

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING AN AMENDMENT TO A LOAN AGREEMENT TO PROVIDE FOR ONE OR MORE ADDITIONAL LOANS, CHANGING CERTAIN TERMS AND CONDITIONS OF THE LOANS MADE FOR THE BENEFIT OF NEW ROADS SCHOOL, AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED AND APPROVING OTHER ACTIONS WITH RESPECT 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 “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, the City of Santa Monica, California (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, on May 23, 2019, the Authority adopted Resolution No. 19-46 (“Resolution 19-46”) approving two tax-exempt loans from Umpqua Bank (the “Lender”) to the Authority in an aggregate principal amount not to exceed \$16,000,000 (collectively, the “Issuer Loan Obligations”) and the loan of the proceeds of the Issuer Loan Obligations (the “Borrower Loans”) to New Roads School, a California nonprofit public benefit corporation (the “Borrower”), for the purpose of (1) financing and refinancing a portion of the cost of the acquisition, construction, renovation, installation, equipping and furnishing of the property located at 3131 Olympic Boulevard, Santa Monica, California 90404; and (2) paying certain costs of issuance in connection with the financing and refinancing (collectively, the “Prior Project”); and

WHEREAS, pursuant to Resolution No. 19-46, the Authority, the Borrower, and the Lender entered into the Loan Agreement, dated as of June 1, 2019 (the “Loan Agreement”),

pursuant to which the Issuer issued the Issuer Loan Obligations to the Lender and the Authority made the Borrower Loans to the Borrower for the purpose of, among other things, undertaking the Prior Project; and

WHEREAS, the Borrower and the Lender desire to make certain changes to the Loan Agreement, and have requested that the Authority enter into the First Amendment to Loan Agreement (as defined herein), to, among other things, authorize the issuance of an additional series of issuer loan obligations, the interest on which may initially be taxable and subsequently convert to tax exempt, in an amount not to exceed \$7,500,000 (the “Series C Issuer Loan Obligation”) and to lend the proceeds of the Series C Issuer Loan Obligation to the Borrower (the “Series C Borrower Loan”); and

WHEREAS, the proceeds of the Series C Borrower Loan will be used to finance the (a) the acquisition of an approximately 9,700 square foot building located at 1836 Franklin Street, Santa Monica, California 90404 and (b) acquisition, improvement, equipping, and furnishing of the real property and improvements comprising the Borrower's educational facilities, located at 3131 Olympic Boulevard, Santa Monica, California 90404 (the “2021 Project”); and

WHEREAS, proposed forms of the First Amendment to Loan Agreement, by and among the Lender, the Authority and the Borrower (the “First Amendment to Loan Agreement”) and the First Amendment to Assignment Agreement, between the Authority and the Lender (the “First Amendment to Assignment Agreement”) have been placed on file with the Authority prior to this meeting; and

WHEREAS, the 2021 Project will provide significant benefits to the residents of the City and surrounding communities through the educational services provided by the Borrower and, based on representations of the Borrower, the financing of the 2021 Project through the Authority will result in demonstrable savings in effective interest rate and will result in a more economical and efficient funding process because of the Authority’s expertise in conduit financings; 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 Authority has determined to approve and authorize the execution of the First Amendment to Loan Agreement and the First Amendment to Assignment Agreement and to take and authorize certain other actions in connection with the foregoing.

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 providing additional financing for the 2021 Project.

Section 2. The proposed form of the First Amendment to 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 First Amendment to 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 may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The proposed form of the First Amendment to Assignment Agreement, by and between among the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. The Authorized Signatories, acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the First Amendment to 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 may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Authority approves the Series C Issuer Loan Obligation, the interest with respect to which will initially be included in gross income for federal income tax purposes and, subject to the satisfaction of the requirements for conversion in the First Amendment to Loan Agreement, be excluded from gross income for federal income tax purposes, and the making of the Series C Borrower Loan to the Borrower in an amount not to exceed \$7,500,000 in accordance with the terms of and to be secured by the Loan Agreement and the First Amendment to Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Series C Issuer Loan Obligation shall be made solely from the revenues to be received by the Authority from the Series C Borrower Loan pursuant to the Loan Agreement and the First Amendment to 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 Series C Issuer Loan Obligation shall bear interest at the rate or rates set forth in the Loan Agreement and the First Amendment to Loan Agreement.

Section 5. 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 Series C 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 Series C 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 6. All actions heretofore taken by the officials and agents of the Authority with respect to the Series C Issuer Loan Obligation and the Series C 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 Series C Borrower Loan and the Series C Issuer Loan

Obligation 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 7. 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 8. Notwithstanding anything to the contrary in this Resolution, the interest rate with respect to the Series C Issuer Loan Obligation shall not be converted to tax-exempt until the conditions precedent to such conversion contained in the First Amendment to Loan Agreement are satisfied including, without limitation, the Council of the City has held the requisite hearing and the Council of the City has approved the issuance of the Series C Issuer Loan Obligation by the Authority pursuant to Section 147(f) of the Code.

Section 9. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 14th day of October 2021.

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 October 14, 2021.

Michelle Stephens, Assistant Secretary

ATTACHMENT I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, New Roads 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 October 14, 2021 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$7,000,000 (the “Obligations”).

1. Umpqua 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, based on a representation by the Borrower concerning an estimated par amount of \$7,500,000 for the Obligations:
 - 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): 2.77635%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$87,400.00 (which includes, among other fees, the conduit issuer fee)
 - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$7,412,600.00
 - 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): \$9,388,454.46
2. The good faith estimates provided above were based on the information which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the

Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.