

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, April 9, 2020

Zoom Call Information

<https://zoom.us/j/131080434?pwd=OUwrdE16YWE1SXRzN3hGamloK21RUT09>

Meeting ID: 131 080 434; Password: 675223

Dial by your location:

+1 408 638 0968 US (San Jose)

+1 646 876 9923 US (New York)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US

+1 346 248 7799 US (Houston)

+1 301 715 8592 US

+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://zoom.us/j/131080434?pwd=OUwrdE16YWE1SXRzN3hGamloK21RUT09>) and to submit comments in writing by 7:00 pm on April 8, 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 March 19, 2020.
 - b. Approve Resolution 20-09 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the County of El Dorado.
2. Approve Resolution 20-10 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Installation, Rehabilitation, Equipping and Furnishing of Certain Facilities for the Benefit of the Turner Foundation - Since 1958, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
3. Approve Resolution 20-11 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Development, Installation, Equipping and Furnishing of Certain Facilities for the Benefit of Vanguard University of Southern California, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
4. Approve Resolution 20-12 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 in a Total Aggregate Amount Not to Exceed \$19,000,000 for the Purpose of Financing and Refinancing the Construction, Renovation, Improvement, and Equipping of Certain Educational Facilities for the Benefit of San Francisco University High School, Providing

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

the Terms and Conditions for Such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.

Public Hearing

5. Approve Resolution 20-13 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure and Water Efficiency Improvements; Confirming Assessments to be Levied within the Parameters of the Report; and Taking Certain other Actions.

Public Comment

Chair Report

PACE Report

Other Business

Adjournment

This agenda can be obtained at <https://ceda.caed.org>. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

***TELECONFERENCE MEETING ***

CEDA BOARD OF DIRECTORS

Thursday, March 19, 2020

Teleconference Locations

California Association for Local
Economic Development
(contact Michelle Stephens)
2150 River Plaza Dr. Suite 275
Sacramento, CA 95833

Redding City Hall
(contact Larry Vaupel or Erica
Thomas)
777 Cypress Ave.
Redding, CA 96001

Sacramento Municipal Utility District
(contact Mather Kearney)
6301 S Street
Sacramento, CA 95817

City of Santa Clarita
(contact Jason Crawford or
Stephanie Givens)
23920 Valencia Blvd., Suite 100
Santa Clarita, CA 91355

City of Lakeport
(contact Margaret Silveira or Hilary
Britton)
225 Park Street
Lakeport, CA 95453

City of Anaheim
(contact Jessica Gonzales or
Amanda Wicker)
201 S. Anaheim Blvd., Ste. 1003
Anaheim, CA 92805

County of Stanislaus
(contact Keith Boggs or Sheryl
Swartz)
1010 10th Street
GSA Purchasing – 5th Floor
GSA Director's Office
Modesto, CA 95354

City of West Sacramento
(contact Aaron Laurel or
Polly Harris)
1110 West Capitol Avenue, 3rd Floor
West Sacramento, CA 95691

Call to Order

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

Roll Call

Members Present:

Jessica Gonzales *10:36
Mather Kearney *10:32
Aaron Laurel *10:32
Gurbax Sahota
Margaret Silveira
Larry Vaupel

CALED Management/
Staff Present:

Michelle Stephens
Alphonse Wilfred

Public:

Peter Grabell

Statement of Disclosure

None

Action Items

1. Approve Consent Agenda.
 - a. Approve Minutes from the Regular Meeting on February 20, 2020.

Motion: Board Member Larry Vaupel made the motion to approve the Minutes. Board Member Margaret Silveira seconded the motion on the floor.

The motion passed unanimously by voice vote

2. Approve Resolution 20-06 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority will Make a Loan for the Purpose of Financing the Cost of Acquisition, Construction, Installation, Renovation and Equipping of Certain Facilities for the Benefit of Society for the Prevention of Cruelty to Animals of Monterey County, Inc., Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle presented the staff report to the board notifying them that this is a \$6 million deal consisting of construction and renovation for multiple facilities.

Motion: *Board Member Mather Kearney made the motion to approve Resolution 20-06. Board Member Larry Vaupel seconded the motion on the floor.*

The motion passed with the following roll call vote:

Jessica Gonzales	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

3. Approve Resolution 20-07 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquiring, Improving, Renovating, Remodeling, Furnishing and Equipping Certain Facilities for the Benefit of Tri-Valley Montessori School, Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto.

Discussion: Michelle presented the staff report to the board notifying them that this is a deal that will not exceed \$7 million to refinance prior obligations of which were used to finance and refinance the construction, renovation, retrofitting, improvement and equipping of educational and administrative facilities located at 1273 N. Livermore Avenue, Livermore, California 94551.

Motion: *Board Member Margaret Silveira made the motion to approve Resolution 20-07. Board Member Jessica Gonzales seconded the motion on the floor.*

The motion passed with the following roll call vote:

Jessica Gonzales	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

4. Approve Resolution 20-08 of the California Enterprise Development Authority Authorizing and

Approving a Supplement to the Indenture Between the California Enterprise Development Authority and Wells Fargo Bank, National Association for the Benefit of the Hindu Community and Cultural Center, and Authorizing and Approving other Actions with Respect to Such Amendment.

Discussion: Michelle presented the staff report to the board notifying them that this is a refinancing deal from a CEDA project originally approved in 2013.

Motion: *Board Member Mather Kearney made the motion to approve Resolution 20-08. Board Member Larry Vaupel seconded the motion on the floor.*

The motion passed with the following roll call vote:

Jessica Gonzales	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

Public Comment

Chair Report

Gurbax thanked the board for taking the time out of their busy schedule to be a part of the CEDA board meetings. Michelle updated the board that the next scheduled meeting will be on April 9, 2020. The board discussed shut down procedures in different jurisdictions and stressed that jurisdictions should keep working together.

PACE Report

Peter updated the board that on March 20th, Dividend Finance would complete the bonding for the portfolio of R-PACE assessment. This will complete the administrative work. For C-PACE, Dividend Finance has a couple of applications in progress. One application is for a \$800,000 project for a winery that is going to implement solar technology. The second application is a \$30 million project for the Breakers Hotel in Long Beach to do retrofit and construction. This project will be most likely done in 3rd quarter. A third application is a senior housing project for \$25 million. Lastly, Dividend Finance is in talks with the group for the redevelopment of Mare Island. Peter will update us about that project in the future.

Other Business

Adjournment

Motion: *Margaret Silveira made the motion to adjourn the meeting. Jessica Gonzales seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:54 am by voice vote.*

Staff Report

Action Requested	Approve Resolution 20-09 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the County of El Dorado.
Project Background	<p>The State of California, like many other states, declared its intention to promote green initiatives. On July 21, 2008, the State legislature passed AB 811 (commonly known as PACE or Property Assessed Clean Energy legislation) and other interpretative bills to facilitate energy and water efficiency retrofits to existing buildings.</p> <p>Ultimately, legislation provided a mechanism, which allowed property owners to consent to assessment of their property to pay for capital improvements for energy and water efficiency and installation of renewable energy generators (e.g. solar photovoltaic panels, fuel cells, small wind turbines).</p> <p>The California Property Assessed Clean Energy Program (“California PACE Program”) was developed by Figtree Energy Resource Company to provide a financing mechanism and template for a municipal energy and water efficiency program.</p> <p>It is necessary for CEDA to declare its intention to commence assessment district proceedings within the jurisdictions, which have approved the California PACE Program. The adoption of the Resolution of Intention is the first step in a two-step process necessary for the implementation of CEDA’s California PACE Program in the participating member jurisdictions. These Resolutions declare the intention of the Board of Directors to form an assessment district in order to cause the financing of energy and water efficiency improvements within the boundaries of participating public agencies. Also, these Resolutions (i) direct Figtree Energy Resource Company, administrator of the California PACE Program, to prepare and file with the Board of Directors, a program report in compliance with California Streets and Highways Code and (ii) set April 9, 2020 for the public hearing required for the formation of the assessment district.</p> <p>After the public hearing, the Board of Directors of CEDA will be presented with a resolution of formation for the creation of the assessment district. At that time, the Board of Directors will determine whether to proceed with financing on the terms and conditions presented.</p>
Recommendation	Staff recommends approval of Resolution 20-09 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the County of El Dorado.

RESOLUTION NO. 20-09

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT
AUTHORITY DECLARING INTENTION TO FINANCE INSTALLATION
OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES,
ENERGY EFFICIENCY, AND WATER EFFICIENCY IMPROVEMENTS
IN THE COUNTY OF EL DORADO**

WHEREAS, the California Enterprise Development Authority (“CEDA”) is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (Government Code Section 6500 et seq.) and that certain Joint Exercise of Powers Agreement (the “Agreement”) dated as of June 1, 2006, among the cities of Eureka, Lancaster and Selma; and

WHEREAS, CEDA is authorized under the Agreement and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) to authorize assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, and water efficiency improvements that are permanently fixed to real property (“Authorized Improvements”); and

WHEREAS, CEDA has obtained authorization from the County of El Dorado (the “County”) to conduct assessment proceedings and to enter into contractual assessments to finance the installation of Authorized Improvements within the jurisdictional boundaries of the County pursuant to Chapter 29; and

WHEREAS, CEDA desires to declare its intention to establish a Figtree PACE program (“Figtree PACE”) in the County, pursuant to which CEDA, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the County.

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

Section 1. Findings. The Board of Directors hereby finds and determines the following:

- (a) The above recitals are true and correct and are incorporated herein by this reference.
- (b) Energy and water conservation efforts, including the promotion of Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the County.
- (c) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most

commercial loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

- (d) A public purpose will be served by establishing a contractual assessment program, to be known as Figtree PACE, pursuant to which CEDA will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in the County.

Section 2. Determination of Public Interest. The Board of Directors hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the County, within which CEDA and property owners within the County may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for CEDA to finance the installation of Authorized Improvements in the County pursuant to Chapter 29.

Section 3. Identification of Authorized Improvements. CEDA hereby declares its intention to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 8 hereof (the “Report”), as that Report may be amended from time to time.

Section 4. Identification of Boundaries. Contractual assessments may be entered into by property owners located within the entire geographic territory of the County.

Section 5. Proposed Financing Arrangements. Under Chapter 29, CEDA may issue bonds, notes or other forms of indebtedness (the “Bonds”) pursuant to Chapter 29 that are payable by contractual assessments. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the “Improvement Bond Act of 1915”) shall apply to any indebtedness issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. The creditworthiness of a property owner to participate in the financing of Authorized Improvements will be based on the criteria developed by Figtree Energy Financing (the “Program Administrator”) upon consultation with Figtree PACE Program underwriters or other financial representatives, CEDA general counsel and bond counsel, and as shall be approved by the Board of Directors of CEDA. In connection with indebtedness issued under the Improvement Bond Act of 1915 that is payable from contractual assessments, serial and/or term improvement bonds or other indebtedness shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date), and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by Board of Directors at the time of the issuance and sale of the indebtedness. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of CEDA to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. Neither CEDA, nor any of its members participating in the Figtree PACE Program, shall advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the indebtedness; provided, however, that this determination shall not prevent CEDA or any of its members from, in their sole discretion, so advancing funds.

The Bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding, upon the conditions specified by and upon determination of CEDA.

CEDA hereby authorizes the Program Administrator, upon consultation with CEDA general counsel, bond counsel and the Figtree PACE underwriter, to commence preparation of documents and take necessary steps to prepare for the issuance of bonds, notes or other forms of indebtedness as authorized by Chapter 29.

In connection with the issuance of bonds payable from contractual assessments, CEDA expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

Section 6. Public Hearing. Pursuant to the Act, CEDA hereby orders that a public hearing be held before CEDA Board (the “Board”), at 2150 River Plaza Drive, Suite 275, Sacramento, CA 95833, on Thursday, April 09, 2020, at 10:30 AM, for the purposes of allowing interested persons to object to, or inquire about, the proposed Figtree PACE Program. The public hearing may be continued from time to time as determined by the Board for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 8 hereof shall be summarized, and the Board shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program, the extent of the area proposed to be included within the boundaries of the assessment district, the terms and conditions of the draft assessment contract described in Section 8 hereof (the “Contract”), or the proposed financing provisions. Following the public hearing, CEDA may adopt a resolution confirming the Report (the “Resolution Confirming Report”) or may direct the Report’s modification in any respect, or may abandon the proceedings.

The Board hereby orders the publication of a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

Section 7. Notice to Water and Electric Providers. Pursuant to Section 5898.24 of the Streets & Highways Code, written notice of the proposed contractual assessment program within the County to all water and electric providers within the boundaries of the County has been provided.

Section 8. Report. The Board hereby directs the Program Administrator to prepare the Report and file said Report with the Board at or before the time of the public hearing described in Section 6 hereof containing all of the following:

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 hereof.
- b) A draft contractual assessment contract (the “Contract”) specifying the terms and conditions of the agreement between CEDA and a property owner within the County.
- c) A statement of CEDA’s policies concerning contractual assessments including all of the following:
 - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
 - (2) Identification of the CEDA official authorized to enter into contractual assessments on behalf of CEDA.
 - (3) A maximum aggregate dollar amount of contractual assessments.
 - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- d) A plan for raising a capital amount required to pay for work performed in connection with contractual assessments. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan (i) shall include a statement of, or method for determining, the interest rate and time period during which contracting property owners would pay any assessment, (ii) shall provide for any reserve fund or funds, and (iii) shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and CEDA.
- e) A report on the results of the discussions with the County Auditor-Controller described in Section 10 hereof, concerning the additional fees, if any, that will be charged to CEDA for inclusion of the proposed contractual assessments on the general property tax roll of the County, and a plan for financing the payment of those fees.

Section 9. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by CEDA, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

Section 10. Consultations with County Auditor-Controller. CEDA hereby directs the Program Administrator to enter into discussions with the County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

Section 11. Preparation of Current Roll of Assessment. Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator as the responsible party

for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

Section 12. Procedures for Responding to Inquiries. The Program Administrator shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

Section 13. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 9th day of April, 2020.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

Michelle Stephens, Assistant Secretary

Staff Report

Action Requested	Approve Resolution 20-10 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Installation, Rehabilitation, Equipping and Furnishing of Certain Facilities for the Benefit of the Turner Foundation - Since 1958, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	The Turner Foundation – Since 1958
Borrower Description	<p>The Turner Foundation – Since 1958, formerly the Rose Garden Village Foundation, was founded in 1958 by Rev. Dr. Albert J. Turner. Thus beginning a legacy of service to those who are in need. At that time, the needs of the elderly were the organization’s primary concern. For 45 years the Rose Garden Village was a staple of ‘service to seniors’ in Riverside, CA.</p> <p>With a distinguished history of service, The Turner Foundation today owns and operates The Village at Santa Barbara, a 70-unit affordable housing complex on the west side of Santa Barbara. The Foundation seeks to care for people by providing a safe, comfortable, and affordable living environment. By providing services on-site in a village setting, the Turner Foundation can serve the residents in unique ways, develop a sense of community, and reduce the problems and tensions often associated with an affordable housing facility.</p> <p>The Turner Foundation - Since 1958 has submitted an application to the Authority requesting the Authority to make a loan (the “Borrower Loan”) in the aggregate principal amount not to exceed \$18,000,000 for the purpose of financing and refinancing the acquisition, construction, installation, rehabilitation, equipping and furnishing of low income housing and related facilities including:</p> <ul style="list-style-type: none"> - A 70-unit affordable housing complex, a learning center, a community center, a community garden, and ancillary and related facilities located at 518-524 West Canon Perdido Street and 924 San Pascual Street, Santa Barbara, California 93101, and - A 45-unit affordable housing complex and ancillary and related facilities located at 1502 San Pascual Street, Santa Barbara, California 93101.
Public Benefits	The tax-exempt financing will allow The Turner Foundation – Since 1958 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 20-10 Resolution of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Installation, Rehabilitation, Equipping and Furnishing of Certain Facilities for the Benefit of the Turner Foundation - Since 1958, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 20-10

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 A LOAN FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF ACQUISITION, CONSTRUCTION, INSTALLATION, REHABILITATION, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF THE TURNER FOUNDATION - SINCE 1958, 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 loan 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 County of Santa Barbara (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, The Turner Foundation - Since 1958, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make a loan (the "Borrower Loan") in the aggregate principal amount not to exceed \$18,000,000 to the Borrower for the purpose of financing and refinancing the acquisition, construction, installation, rehabilitation, equipping and furnishing of low income housing and related facilities including (i) a 70-unit affordable housing complex, a learning center, a community center, a community garden, and ancillary and related facilities located at 518-524 West Canon Perdido Street and 924 San Pascual Street, Santa Barbara, California 93101, and (ii) a

45-unit affordable housing complex and ancillary and related facilities located at 1502 San Pascual Street, Santa Barbara, California 93101 (collectively, the “Facilities”); and

WHEREAS, a portion of the proceeds of the Borrower Loan may also be used to pay certain costs of issuance in connection with the Borrower Loan; and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt loan from Farmers and Merchants Bank of Long Beach or its successor (the “Lender”), to the Authority (together, the “Authority Loan” and, together with the Borrower Loan, the “Loans”) to make the Borrower Loan; and

WHEREAS, there has been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) A proposed form of the Loan Agreement (the “Loan Agreement”), by and among the Lender, the Authority and the Borrower;

(b) A proposed form of Assignment Agreement (the “Assignment Agreement”), between the Authority and the Lender; and

(c) A proposed form of Land Use Restriction Agreement (the “Restriction Agreement”), among the Authority, the Borrower and the Lender;

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Loans, 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 County and surrounding community through the educational services provided by the Borrower and, based on representations of the Borrower, the financing of the Facilities through the Authority will result in demonstrable savings in effective interest rate; and

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 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 proposed form of the Restriction Agreement, by and among the Authority, the Borrower, 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 Restriction 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 Restriction Agreement.

Section 6. 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 \$18,000,000 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 7. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the

Facilities, any assignment by Lender to an affiliate of Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the 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 8. 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 9. 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 10. 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 has approved the issuance of the Authority Loan pursuant to Section 147(f) of the Code.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this April 9th, 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 April 9th, 2020.

Michelle Stephens, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, The Turner Foundation - Since 1958, 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 April 9, 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 \$18,000,000 (the "Obligations").

1. Farmers and Merchants Bank of Long Beach, 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): 3.2075%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$300,000 (which includes the bank loan 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: \$17,700,000 (not including finance charges not paid with proceeds of the Obligations)
 - 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): \$23,052,003
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.

Staff Report

Action Requested	Approve Resolution 20-11 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Development, Installation, Equipping and Furnishing of Certain Facilities for the Benefit of Vanguard University of Southern California, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Vanguard University of Southern California
Borrower Description	<p>Vanguard University is a private, Christian, comprehensive university of liberal arts and professional studies equipping students for a Spirit-empowered life of Christ-centered leadership and service. Since 2010, the U.S. News & World Report has ranked Vanguard in the top 10 among the best baccalaureate colleges in the west in their rankings of colleges and universities and The Princeton Review named VU a 2014 "Best in the West" College. Vanguard is accredited by the Western Association of Schools and Colleges (WASC).</p> <p>A strong commitment to cultural diversity, racial reconciliation, and gender equality is a consequence of Vanguard being deeply grounded in the faith tradition that brought the University into existence. Moreover, these core values continue to define the institutional vision that pulls the Vanguard community forward toward its mission and educational targets and goals.</p> <p>Vanguard University of Southern California has requested a loan in the aggregate principal amount not to exceed \$42,000,000 for the purpose of financing and refinancing the construction, development, improvement, installation, equipping and furnishing of certain educational and ancillary facilities located at 55 Fair Drive and 2374 Newport Boulevard, both located in Costa Mesa, California, including, but not limited to, an approximately 35,000 square foot student center, dormitory improvements, and other campus improvements.</p>
Public Benefits	The tax-exempt financing will allow Vanguard University of Southern California 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 20-11 Resolution of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Development, Installation, Equipping and Furnishing of Certain Facilities for the Benefit of Vanguard University of Southern California, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 20-11

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 A LOAN FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF ACQUISITION, CONSTRUCTION, DEVELOPMENT, INSTALLATION, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF VANGUARD UNIVERSITY OF SOUTHERN CALIFORNIA, 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 loan 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 Costa Mesa (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, Vanguard University of Southern California, a California nonprofit religious corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make a loan (the "Borrower Loan") in the aggregate principal amount not to exceed \$42,000,000 to the Borrower for the purpose of financing and refinancing the construction, development, improvement, installation, equipping and furnishing of certain educational and ancillary facilities located at the Borrower's campus at 55 Fair Drive and 2374 Newport Boulevard, both located in Costa Mesa, California, including, but not limited to, an

approximately 35,000 square foot student center, dormitory improvements, and other campus improvements (the “Facilities”); and

WHEREAS, a portion of the proceeds of the Borrower Loan may also be used to pay certain costs of issuance and capitalized interest in connection with the Borrower Loan; and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt loan from Farmers and Merchants Bank of Long Beach or its successor (the “Lender”), to the Authority (together, the “Authority Loan” and, together with the Borrower Loan, the “Loans”) to make the Borrower Loan; and

WHEREAS, there has been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) A proposed form of the 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”), between the Authority and the Lender;

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Loans, 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 Borrower and, based on representations of the Borrower, the financing of the Facilities through the Authority will result in demonstrable savings in effective interest rate; and

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 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 \$42,000,000 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 Lender to an affiliate of Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the 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 has approved the issuance 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 April 9th, 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 April 9th, 2020.

Michelle Stephens, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Vanguard University of Southern California, a California nonprofit religious 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 April 9, 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 \$42,000,000 (the “Obligations”).

1. Farmers and Merchants Bank of Long Beach, 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): 3.2266%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$714,545 (which includes the bank loan 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: \$38,304,822 (not including finance charges not paid with proceeds of the Obligations)
 - 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): \$52,982,836
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.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Date: April 09, 2020
To: Board of Directors
From: CALED Staff
Subject: Formation of Assessment District in connection with the FIGTREE PACE Program in the County of El Dorado

RECOMMENDATION

Approve Resolution No. 20-13 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions.

FISCAL IMPACT

There are no fiscal impacts to the California Enterprise Development Authority from the adoption of the attached resolutions.

INTRODUCTION

On Thursday, April 9, 2020, the Board of Directors approved Resolutions of Intention for the County of El Dorado.

This Resolution declared its intent to include the jurisdiction of the participating member entity in an energy and water efficiency district. The resolution among other things, briefly described the proposed arrangements for funding the FIGTREE PACE Program and directed Dividend Finance, LLC, the Program Administrator, to prepare a report as required by AB 811. Subsequently, April 9, 2020 was set as the date for a public hearing on the Program.

The proposed Resolution for the public entity is the final step in a two-step process necessary for the implementation of the FIGTREE PACE Program in participating member jurisdictions.

BACKGROUND

The resolution passed by CEDA declaring its intent also directed the program administrator to prepare and file with the CEDA board a Program report that complies with AB 811. AB 811 requires the report to provide all of the following:

1. A map showing the boundaries of the territories within which contractual assessments are proposed to be offered.

2. A draft contract specifying the terms and conditions that would be agreed upon by a property owner and the California Enterprise Development Authority.
3. A statement of CEDA policies concerning contractual assessments including all of the following:
 - a. Identification of types of facilities, distributed generation renewable energy sources, or energy efficiency improvements that may be financed through the use of contractual assessments.
 - b. Identification of the CEDA official authorized to enter into contractual assessments on behalf of the member jurisdiction.
 - c. A maximum aggregate dollar amount of contractual assessments.
 - d. A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
 - e. Description of criteria for determining the underwriting requirements.
 - f. Safeguards that will be used to ensure that the total annual property taxes and assessments on the property will not exceed 5 percent of the property's market value.
4. A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments, including a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment; and the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and CEDA.
5. A report on the results of the consultations with the City Auditor-Controller's Office of each participating member jurisdiction regarding the additional fees that will be charged to the participating property owner for incorporating the proposed contractual assessments into the assessments of general taxes of the city on real property, and a plan for financing the payment of those fees.

The program report was prepared and filed as required.

Pursuant to AB 811, CEDA provided notice of the public hearing by publishing a notice once a week for two weeks in regional publications of participating members.

CONCLUSION

Adoption of this Resolution is the final step required by CEDA in the required assessment district proceedings. At the conclusion of adopting this Resolution, the Program will commence accepting applications for the provision of financing for participating property owners. Once a sufficient number of property owners have entered the Program, staff will bring before the board for approval the terms of the financing of the assessment districts.

RESOLUTION 20-13

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION WITH AND CONFIRMING THE REPORT REGARDING THE ESTABLISHMENT OF A CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY, SEISMIC RETROFITS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND WATER EFFICIENCY IMPROVEMENTS; CONFIRMING ASSESSMENTS TO BE LEVIED WITHIN THE PARAMETERS OF THE REPORT; AND TAKING CERTAIN OTHER ACTIONS

COUNTY OF EL DORADO

WHEREAS, on April 9, 2020, the Board of Directors (the “Board of Directors”) of the California Enterprise Development Authority, a joint powers financing agency organized and existing pursuant to the Marks Roos Local Bond Pooling Act (“CEDA”), adopted a resolution declaring its intention to order the implementation of a contractual assessment program to finance the installation of distributed generation renewable energy sources, energy efficiency, seismic retrofits, electric vehicle charging infrastructure and water efficiency improvements (the “Resolution of Intention”) pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “Act”); and

WHEREAS, Chapter 29 authorizes CEDA to enter into contractual assessments to finance the installation of Authorized Improvements in the County of El Dorado (the “County”); and

WHEREAS, the Resolution of Intention directed Dividend Finance, LLC (the “Program Administrator”) to prepare and file with the Board of Directors a report (the “Report”) in accordance with Section 5898.22 of the Act, and the Program Administrator has filed said Report with the Board of Directors; and

WHEREAS, the Resolution of Intention set the time and place for a hearing on the proposed Figtree Property Assessed Clean Energy Program (“PACE Program”) described in the Report; and

WHEREAS, the Resolution of Intention described the proposed arrangements for funding which may include bonds, notes or other forms of indebtedness. Indebtedness issued pursuant to the Act will be repaid by voluntary contractual assessments; and

WHEREAS, on April 9, 2020, following notice duly given in accordance with law, the Board of Directors held a full and fair public hearing on the Report, and matters relating thereto, at which interested persons were afforded the opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program or any of its particulars, including the extent of the area proposed to be included within PACE Program, the terms and conditions of the draft contract with landowners (as further described herein, the “Assessment Contract”) assessment, and the proposed financing provisions; and

WHEREAS, the Report sets forth each of the items required to be contained therein pursuant to Section 5898.22 of the Act; and

WHEREAS, the Board of Directors, having considered all oral and written testimony, desires to confirm the Report and proceed with the establishment of the Figtree PACE Program in the County of El Dorado;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. The Board of Directors finds and determines that all actions required to be taken and all conditions required to be satisfied prior to action by the Board of Directors pursuant to law, including the Act, have been taken and satisfied.

Section 3. The Board of Directors hereby confirms the Report and approves the formation of the contractual assessment program in connection with the PACE Program. The Board of Directors also confirms the levy of assessments for the financed amount of the improvements and approves a cost recovery annual administrative assessment to be added to the annual levy within the parameters of the Report. The Board of Directors directs the establishment of the PACE Program and the implementation thereof as provided in the Report and in accordance with the applicable law.

Section 4. The Program Administrator is directed to cause to be recorded in the office of the County Recorder in which a participating property resides, concurrently with the instrument creating the voluntary contractual assessment, a document entitled "Payment of Contractual Assessment Required" pursuant to Section 5898.24(d) of the Act. The County Recorder shall only be responsible for examining such document and determining that it contains the information required by Section 5898.24(d)(2)(A), (E) and (F) of the Act and for indexing the document under the names of the persons and entities identified in Section 5898.24(d)(2)(A) and (E) of the Act. The County Recorder shall not examine any other information contained in such document.

Section 5. The Board of Directors hereby designates the Program Administrator as the office responsible for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment and directs the Program Administrator to establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment; provided that neither the Program Administrator nor the Board of Directors shall be liable if any estimate of future voluntary contractual assessment liability is inaccurate or for any failure of any seller to request notice pursuant to the Act or to provide the notice to a buyer.

Section 6. The Program Administrator is hereby authorized and directed to do all acts and things which may be required of him or her by this Resolution, or which may be necessary or desirable in carrying out the PACE Program as described in the Report, and all matters

incidental thereto, including without limitation, to make clarifying changes to the Report; after consulting with counsel, to modify the draft application and the draft Assessment Contract set forth in the Report; and to modify the schedule of eligible improvements attached to the Report as deemed necessary or desirable.

Section 7. This Resolution shall be effective upon its adoption by the Board of Directors.

The foregoing Resolution was on the 9th day of April 2020, adopted by the Board of Directors of the California Enterprise Development Authority.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Michelle Stephens, Assistant Secretary