

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, April 23, 2020

Zoom Call Information

<https://zoom.us/j/92902224440?pwd=NULiVmpHNUVJVkITTEJMWU9aUk5RUT09>

Meeting ID: 929 0222 4440; Password: 836714

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)

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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/92902224440?pwd=NULiVmpHNUVJVkITTEJMWU9aUk5RUT09>) and to submit comments in writing to by 7:00 pm on April 22, 2020.

To submit a comment in writing, please email michelle@ceda.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 April 9, 2020.
2. Approve Resolution 20-13 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 Construction, Renovation, Improvement, and Equipping of Certain Educational Facilities for the Benefit of San Francisco University High School, Providing the Terms and Conditions for such Master Loan Agreement and other Matters Relating Thereto Herein Specified.
3. Approve Resolution 20-14 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Designing, Developing, Constructing, Installing, Improving, Equipping and Furnishing of School Facilities for the Benefit of Almaden Country Day School, Providing the Terms and Conditions for such Loan Agreement and other Matters Relating Thereto Herein Specified.

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

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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, April 9, 2020

Zoom Call Location

<https://zoom.us/j/131080434?pwd=OUwrdE16YWE1SXRrN3hGamloK21RUT09>

Meeting ID: 131 080 434; Password: 675223

Call to Order

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

Roll Call

Members Present:

Jason Crawford
Jessica Gonzales
Aaron Laurel
Gurbax Sahota
Margaret Silveira
Larry Vaupel

CALED Management/
Staff Present:

Michelle Stephens
Alphonse Wilfred

Public:

Sam Balisy, Kutak Rock
Kirk Dowdell, Dowdell Consulting Group
Jeremy Moser, Vanguard University
Nolan Nicholson, Farmers & Merchants Bank
Kyle Roddy, Farmers & Merchants Bank
Jeff Spinelli, Farmers & Merchants Bank
Dean Wilson, Turner Foundation – Since 1958

Statement of Disclosure

Gurbax Sahota let the Board know that Item 4 was delayed, and will be pulled from the agenda. Since Item 4 was pulled, she renumbered Item 5 to Res 20-12. A motion was needed to do this.

Motion: *Board Member Margaret Silveira made the motion to approve renumbering Item 5 from Resolution 20-13 to Resolution 20-12. Board Member Aaron Laurel seconded the motion on the floor.*

The motion passed with the following roll call vote:

Jason Crawford	Aye
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

Action Items

1. Approve 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.

Motion: Board Member Jason Crawford made the motion to approve the Consent Agenda. Board Member Aaron Laurel seconded the motion on the floor.

The motion passed with the following roll call vote:

Jason Crawford	Aye
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

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.

Discussion: Michelle provided the board a staff report about the Turner Foundation – Since 1958 project, which will not exceed \$18 million. Kirk Dowdell thanked the board and introduced Dean Wilson, from the Turner Foundation. Dean gave the board a description of the work they do as well as some of their upcoming projects and activities. Board member Aaron Laurel asked a question about tax credit securement. Kirk said that there are no tax credits to this financing, mostly refinancing for their programs and new scholarship program. There was another question about CEDA issuing bonds for housing projects. Sam and Gurbax mentioned that there may be more affordable housing projects in the future.

Motion: Board Member Margaret Silveira made the motion to approve Resolution 20-10. Board Member Jessica Gonzales seconded the motion on the floor.

The motion passed with the following roll call vote:

Jason Crawford	Aye
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

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.

Discussion: Michelle provided the board a staff report about the Vanguard University project. The project will focus on the school and facility improvements. Kirk Dowdell thanked the board and introduced Jeremy Moser from Vanguard University. Jeremy gave a description of the school and project, which will go to dorm and facility improvements as well as refinancing past loans.

Motion: Board Member Jessica Gonzales made the motion to approve Resolution 20-11. Board Member Jason Crawford seconded the motion on the floor.

The motion passed with the following roll call vote:

Jason Crawford	Aye
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

Gurbax Sahota opened the Public Hearing. Upon hearing no comments, the Public Hearing was closed.

4. Approve Resolution 20-12 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.

Discussion: Michelle gave a staff report.

Motion: Board Member Aaron Laurel made the motion to approve Resolution 20-12. Board Member Margaret Silveira seconded the motion on the floor.

The motion passed with the following roll call vote:

Jason Crawford	Aye
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

Public Comment

Chair Report

Gurbax discussed that we will need to revisit the budget and will look at this during May/June. Michelle informed the board that the next meeting will be on April 23, 2020.

PACE Report

Other Business

Adjournment

Motion: Jessica Gonzales made the motion to adjourn the meeting. Jason Crawford seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:59 am after the roll call vote.

The motion passed with the following roll call vote:

Jason Crawford	Aye
Jessica Gonzales	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye
Larry Vaupel	Aye

Staff Report

Action Requested	Approve Resolution 20-13 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 Construction, Renovation, Improvement, and Equipping of Certain Educational Facilities for the Benefit of San Francisco University High School, Providing the Terms and Conditions for such Master Loan Agreement and other Matters Relating Thereto Herein Specified.
Borrower(s)	San Francisco University High School
Borrower Description	<p>San Francisco University High School (UHS) opened in 1975 as a coeducational, college preparatory, independent secondary school. Enrollment stands at approximately 410 students this year. Accredited by the Western Association of Schools and Colleges, UHS is also a member of the National Association of Independent Schools, the California Association of Independent Schools, the College Entrance Examination Board, and the Secondary School Admissions Test Board.</p> <p>Consistent with their core values of inquiry and agency, UHS offers a robust Independent Study program that allows students to pursue in-depth learning projects that they design themselves. Last year, 110 students took advantage of this option.</p> <p>This \$19,000,000 project will include the following:</p> <ul style="list-style-type: none"> - Refinance all or a portion of SFUHS's ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds (San Francisco University High School) Series A (Tranche One) and Series A (Tranche Two) and a promissory note made in favor of Northern Trust Company (the proceeds of which were used to purchase SFUHS's Head of School residence at 3954 Washington Street, San Francisco), in the aggregate outstanding amount of approximately \$12,315,000; - Finance additional construction, improvement, equipping, furnishing and maintenance of SFUHS's campuses located at 3065 Jackson Street, San Francisco and at 3150 Washington Street, San Francisco, including, but not limited to, improvements to classrooms, creation of new offices, creation of additional seating in SFUHS's student center, and replacement of certain sports court fencing; - Finance certain pre-construction costs related to the future construction of a new 49,000 square foot building at 3150 California Street, San Francisco and improvements at SFUHS's campus located at 3185 Washington Street, San Francisco; - Reimburse certain previously incurred expenses in accordance with applicable provisions of the Internal Revenue Code of 1986, as amended; and - Pay certain expenses incurred in connection with the issuance of the bond(s)/loans(s).
Public Benefits	The tax-exempt financing will allow San Francisco University High School 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 20-13 Resolution 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 Construction, Renovation, Improvement, and Equipping of Certain Educational Facilities for the Benefit of San Francisco University High School, Providing the Terms and Conditions for such Master Loan Agreement and other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 20 - 13

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION 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 CONSTRUCTION, RENOVATION, IMPROVEMENT, AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES FOR THE BENEFIT OF SAN FRANCISCO UNIVERSITY HIGH SCHOOL, PROVIDING THE TERMS AND CONDITIONS FOR SUCH MASTER 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 and County of San Francisco (the “City”) is an associate member of the Authority; and

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds or other evidences of indebtedness, rather than certificates of participation, and enter into a loan agreement; and

WHEREAS, San Francisco University High School (the “Borrower”) wishes to:
(i) refinance certain indebtedness that previously financed costs relating to the acquisition, construction, renovation, rehabilitation, improvement and/or equipping of its educational and related facilities located at 3220 Sacramento Street, at 3185 Washington Street, at 3150 Washington Street, and at 3065 Jackson Street in San Francisco, California 94115, and at 3954 Washington Street in San Francisco, California 94118 (collectively, the “Prior Project”),
(ii) finance, including through the reimbursement of prior Borrower expenditures, the construction, renovation, rehabilitation, improvement and/or equipping of its educational

facilities located at 3150 Washington Street and at 3065 Jackson Street, in San Francisco, California 94115 (the “New Money Construction Project”), (iii) finance certain pre-construction costs related to the future construction, renovation, rehabilitation, improvement and/or equipping of its educational facilities located at 3150 California Street and at 3185 Washington Street, in San Francisco, California 94115 (together with the Prior Project and the New Money Construction Project, the “Project”), and (iv) pay various transaction costs and other related costs; and

WHEREAS, there has been filed with the Secretary of the Authority a proposed form of (i) Master Loan Agreement (the “Master Loan Agreement”), by and among First Republic Bank, as lender (the “Lender”), the Authority and the Borrower, and (ii) Assignment Agreement (the “Assignment Agreement”) between the Authority and the Lender; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from the Lender to the Authority (collectively, the “Authority Loan”) in a total amount not to exceed \$19,000,000 to make one or more loans of equal amount to the Borrower (collectively, the “Borrower Loan, and, together with the Authority Loan, the “Loan”); and

WHEREAS, in accordance with the requirements of Section 147(f) of the Code and the Treasury Regulations thereunder, the Board of Supervisors of the City adopted a resolution approving the Authority Loan, in order to finance and refinance the Project on a tax-exempt basis, which was signed by the Mayor of the City on April 10, 2020 (the “Board of Supervisors Approval”); and

WHEREAS, the Borrower is expected to provide significant benefits to the residents of the City and surrounding communities and will also create and retain employment opportunities for residents of the City and surrounding communities over the long term; and

WHEREAS, the financing for the Borrower through the Authority 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 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

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

Section 1. The Board hereby finds and determines that the foregoing recitals are true and correct. The Board finds that it is in the public interest to assist the Borrower in financing and refinancing the Project.

Section 2. The Authority hereby approves of the entering into the Authority Loan, on a tax-exempt basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Master 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 Master Loan Agreement by and among the Authority, the Lender and the Borrower, on file with the Secretary of the Authority, is hereby approved in substantially the form presented to and considered at the meeting of the Board. 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 Master 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 Master Loan Agreement.

Section 4. The proposed form of the Assignment Agreement executed by the Borrower in favor of the Lender and the Authority, on file with the Secretary of the Authority, is hereby approved. Each of 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 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.

Section 5. Subject to the receipt by the Authority of the Board of Supervisors Approval, the Authority approves the Authority Loan on a tax-exempt basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$19,000,000 in accordance with the terms of and to be secured by the Master 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 Master Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Master 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 Project, any assignment by Lender to an affiliate of Lender or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by the Chair or the Vice Chair or any designee of either of them 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 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 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. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered by the Authority until the Authority has received the Board of Supervisors Approval.

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.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this April 23, 2020.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Michelle Stephens, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, San Francisco University High 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 April 23, 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 total aggregate principal amount not to exceed \$19,000,000 (the “Obligations”).

1. First Republic Bank, engaged by the Borrower, provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - a. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 2.843%.
 - b. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$380,000.
 - c. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$18,620,000.
 - d. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$28,229,326.
2. The good faith estimates provided above were presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

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

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 23, 2020.

Michelle Stephens
Assistant Secretary

Staff Report

Action Requested	Approve Resolution 20-14 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Designing, Developing, Constructing, Installing, Improving, Equipping and Furnishing of School Facilities for the Benefit of Almaden Country Day School, Providing the Terms and Conditions for such Loan Agreement and other Matters Relating Thereto Herein Specified.
Borrower(s)	Almaden Country Day School
Borrower Description	<p>The mission of Almaden Country Day School is to discover the gifts in every child. They provide a safe and affirming environment for learning, empowering children to strive, explore and build a sense of personal value. Their teachers create a rich academic foundation that corresponds with the developmental stages of childhood. They offer a wide variety of opportunities for children to extend their intellectual, social, and personal potential.</p> <p>The purpose of this \$15,000,000 project will be to finance, refinance or reimburse for the costs of designing, developing, constructing, installing, improving, equipping and furnishing:</p> <ul style="list-style-type: none"> - An approximately 15,000 square foot integrated gymnasium for indoor sports and a modern stage that will serve as an indoor gathering space for school events located at 6835 Trinidad Drive, San Jose, California 95120, - Parking lot improvements and related enhancements at the Property, and - Additional improvements to the Property and supporting infrastructure to further the Borrower’s educational mission (collectively, the “Facilities”), and (b) paying certain costs of issuance in connection with the such financing;
Public Benefits	The tax-exempt financing will allow Almaden Country Day School 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 20-14 Resolution of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Designing, Developing, Constructing, Installing, Improving, Equipping and Furnishing of School Facilities for the Benefit of Almaden Country Day School, Providing the Terms and Conditions for such Loan Agreement and other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 20-14

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF DESIGNING, DEVELOPING, CONSTRUCTING, INSTALLING, IMPROVING, EQUIPPING AND FURNISHING OF SCHOOL FACILITIES FOR THE BENEFIT OF ALMADEN COUNTRY DAY SCHOOL, PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, pursuant to the provisions of the Joint 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 "Issuer") was organized; and

WHEREAS, the Issuer is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into financing agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to the provisions of the Act, the public agencies which are members of the Issuer are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

WHEREAS, the City of San Jose is an associate member of the Issuer and is authorized to acquire and dispose of property, both real and personal; and

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

WHEREAS, Almaden Country Day School, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Issuer requesting the Issuer to make one or more loans (collectively, the "Borrower Loans") in the aggregate principal amount not to exceed \$15,000,000 to the Borrower for the purpose of (a) financing, refinancing or reimbursing the Borrower for the costs of designing, developing, constructing, installing, improving, equipping and furnishing (i) an approximately 15,000 square foot integrated gymnasium for indoor sports and a modern stage that will serve as an indoor gathering space for school events located at 6835 Trinidad Drive, San Jose, California 95120 (the "Property"), (ii)

parking lot improvements and related enhancements at the Property, and (iii) additional improvements to the Property and supporting infrastructure to further the Borrower's educational mission (collectively, the "Facilities"), and (b) paying certain costs of issuance in connection with the such financing; and

WHEREAS, the Issuer intends to use the proceeds of one or more tax-exempt loans from CN Financing, Inc., or its successor (the "Lender") to the Issuer (together, the "Issuer Loans", and together with the Borrower Loans, the "Loans") to make the Borrower Loans; and

WHEREAS, there have been placed on file with the Issuer 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 Issuer, and the Borrower; and

(b) A proposed form of the Assignment Agreement (the "Assignment Agreement"), by and between the Issuer 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 Issuer 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 of San Jose and surrounding community through the educational services provided by the Borrower and, based on representations of the Borrower, the financing and refinancing of the Facilities through the Issuer will result in demonstrable savings in effective interest rate;

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

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

Section 2. The Issuer hereby approves of the entering into the Issuer Loans, 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 Loans pursuant to the terms and provisions of the Loan Agreement. The Issuer understands that the payments under the Borrower Loans will be assigned to the Lender to satisfy the Issuer's payments under the Issuer Loans. The payments to be made by the Issuer to the Lender under the Issuer Loans will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Issuer) under the Borrower Loans.

Section 3. The proposed form of the Loan Agreement by and among the Lender, the Issuer and the Borrower, on file with the Secretary of the Issuer, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an "Authorized Signatory" and, collectively, the "Authorized Signatories"), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Issuer, to execute and deliver the Loan Agreement in substantially the form filed with the Issuer prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing

the same, with the advice of counsel to the Issuer, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Issuer is authorized to attest the execution of the Loan Agreement.

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

Section 5. The Issuer approves the Issuer Loans, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loans to the Borrower in an amount not to exceed \$15,000,000 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 Issuer Loans shall be made solely from the revenues to be received by the Issuer from the Borrower Loans pursuant to the Loan Agreement, and the Issuer Loans shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Issuer Loans shall bear interest at the rate or rates set forth in the Loan Agreement.

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

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

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

Section 9. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the City of San Jose has held the requisite hearing and the City Council of the City of San Jose has approved the issuance of the Issuer Loans pursuant to Section 147(f) of the Code.

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

PASSED AND ADOPTED this 23rd day of April, 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 Issuer at a duly called meeting of the Board of Directors of said Issuer held in accordance with law on April 23, 2020.

Michelle Stephens, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Almaden Country Day School, a California nonprofit public benefit corporation (the “Borrower”), has provided the following required information to the California Enterprise Development Authority (the “Issuer”), as conduit financing provider, prior to the Issuer’s regular meeting on April 23, 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 \$15,000,000 (the “Obligations”).

1. CN Financing, Inc, 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): 1.63799%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$326,563.50
 - 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: \$13,049,425.00
 - 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): \$16,642,611.93
2. The good faith estimates provided above were based on the information which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

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