

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

*****TELECONFERENCE MEETING NOTICE and AGENDA***
LOCATIONS LISTED BELOW**

10:30 A.M.

Thursday, May 17, 2018

Teleconference Phone Information

(712) 775-7031 - Conference Code: 183724#

**Call to Order and Roll Call
Statement of Disclosure**

Action Items

1. Approve Minutes from the Regular Meetings on April 19, 2018 and April 26, 2018.
2. Approve Resolution No. 18-29 Approving Associate Membership by the City of Huron in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority.
3. Approve Resolution No. 18-30 of the California Enterprise Development Authority Authorizing and Approving an Amendment to Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Constructing, Developing, Installing, Improving, Equipping and Furnishing Certain Facilities for the Benefit of SMG Arts Property, LLC and California School of the Arts-San Gabriel Valley, Providing the Terms and Conditions for Such Amendment to Loan Agreement and Other Matters Relating Thereto Herein Specified.
4. Approve Resolution No. 18-31 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing the Cost of Acquiring, Developing, Constructing, Installing, Equipping and Furnishing a Healthcare Facility for the Benefit of United Health Centers of the San Joaquin Valley and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
5. Approve Resolution No. 18-32 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing the Cost of Acquiring, Developing, Constructing, Installing, Equipping and Furnishing a Healthcare Facility for the Benefit of United Health Centers of the San Joaquin Valley and/or A Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Public Comment
Chair Report
PACE Report
Other Business
Adjournment**

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for Local Economic Development (contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811	City of Vista (contact Kevin Ham or Reception) 200 Civic Center Dr. Vista, CA 92084	Sacramento Municipal Utility District (contact Mather Kearney) 6301 S Street Sacramento, CA 95817
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City of Santa Clarita (contact Jason Crawford or Suzanne Carapella) 23920 Valencia Blvd., Suite 100 Santa Clarita, CA 91355	City of Lakeport (contact Margaret Silveira or Hilary Britton) 225 Park Street Lakeport, CA 95453	Los Angeles County Economic Development Corporation (LAEDC) (contact Carrie Rogers or Linden Johnson) 444 S. Flower St., 37 th Floor Los Angeles, CA 90071
County of Stanislaus (contact Keith Boggs or Sheryl Swartz) 1010 10 th Street, Room 5003 Modesto, CA 95354	City of West Sacramento (contact Aaron Laurel or Polly Harris) 1110 West Capitol Avenue, 3 rd Floor West Sacramento, CA 95691	

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CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
Regular Meeting
*****TELECONFERENCE MEETING *****
CEDA BOARD OF DIRECTORS
Thursday, April 19, 2018

Teleconference Locations

California Association for Local Economic Development (contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811	City of Vista (contact Kevin Ham or Reception) 200 Civic Center Dr. Vista, CA 92084	Sacramento Municipal Utility District (contact Mather Kearney) 6301 S Street Sacramento, CA 95817
City of Santa Clarita (contact Jason Crawford or Suzanne Carapella) 23920 Valencia Blvd., Suite 100 Santa Clarita, CA 91355	City of Lakeport (contact Margaret Silveira or Hilary Britton) 225 Park Street Lakeport, CA 95453	Los Angeles County Economic Development Corporation (LAEDC) (contact Carrie Rogers or Linden Johnson) 444 S. Flower St., 37 th Floor Los Angeles, CA 90071
County of Stanislaus (contact Keith Boggs or Sheryl Swartz) 1010 10 th Street, Suite 5003 Modesto, CA 95354	City of West Sacramento (contact Aaron Laurel or Polly Harris) 1110 West Capitol Avenue, 3 rd Floor West Sacramento, CA 95691	

Call to Order

Jason Crawford, Board Member of the California Enterprise Development Authority, called the meeting to order at 10:31am.

Roll Call

Members Present: Jason Crawford
Kevin Ham* (Non-Voting)
Aaron Laurel
Carrie Rogers
Margaret Silveira

CALED Management/Staff

Present: Jillian Boyd
Helen Schaubmayer

Public: Peter Grabell, Dividend Finance
Sam Balisy, Kutak Rock, LLC
Jessica Shaham, Kutak Rock, LLC

*Joined Late

Statement of Disclosure

None

Action Items

1. Approve Minutes from the Regular Meetings on March 8, 2018 and the Founder's & Annual Meeting on March 14, 2018.

Motion: Board Member Margaret Silveira made the motion to approve minutes from the Regular Meeting on March 8, 2018 and the Founder's & Annual Meeting on March 14, 2018. Board Member Aaron Laurel seconded the motion on the floor.

The motion passed with the following roll call vote:

Jason Crawford	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Margaret Silveira	Aye

2. Approve Resolution No. 18-19 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 the Acquisition, Renovation, Equipping and Furnishing of Facilities for the Benefit of Jacobs Center for Neighborhood Innovation and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Motion: Board Member Carrie Rogers made the motion to approve Resolution No. 18-19. Board Member Margaret Silveira seconded the motion on the floor.

The motion passed with the following roll call vote:

Jason Crawford	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Margaret Silveira	Aye

Discussion: Helen briefed the Board that The Jacobs Center for Neighborhood Innovation was founded in 1955 and is located in San Diego, California. The Jacobs Center partners with residents, local leaders and organizations, and regional and national investors to revitalize 60 acres in Southeastern San Diego's Diamond Neighborhood area, a culturally-diverse yet underserved area. This revitalization is done through 3 areas of focus: 1) physical redevelopment through investments in infrastructure convey the Diamond Neighborhood is a rising place for future investment; 2) Education to careers offers accessible pathways to careers; and 3) Focusing on the local economy and creating networks for entrepreneurs and businesses. West Side Creek, LLC, a Jacobs Center affiliated entity, requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$20,000,000 for financing and refinancing costs related to real property and improvements used by the borrower for its administrative and program-related facilities.

3. Approve Resolution No. 18-20 Approving Associate Membership by the County of Fresno in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the County in the Authority.

Motion: Board Member Aaron Laurel made the motion to approve Resolution No. 18-20. Board Member Carrie Rogers seconded the motion on the floor.

The motion passed with the following roll call vote:

Jason Crawford	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Margaret Silveira	Aye

Discussion: Helen briefed the Board that the jurisdiction was brought to CEDA with the interest in joining the PACE program. Helen mentioned within the next month, there will be a tax-exempt financing project within the County.

4. Approve Resolution No. 18-21 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements in the County of Fresno.

Motion: *Board Member Margaret Silveira made the motion to approve Resolution No. 18-21. Board Member Carrie Rogers seconded the motion on the floor.*

The motion passed with the following roll call vote:

Jason Crawford	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Margaret Silveira	Aye

Discussion: Helen briefed the Board that the approval of the ROI is the first step in a two-step process necessary for the implementation of the PACE program within the jurisdiction .

Public Comment

Chair Report

PACE Report

Other Business

Helen mentioned there is a meeting next week. Margaret Silveira stated she will not be able to attend.

Adjournment

Motion: *Board Member Aaron Laurel made the motion to adjourn the meeting. Board Member Jason Crawford seconded the motion on the floor. Board Member, Jason Crawford adjourned the meeting at 10:41 am by voice vote.*

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

***TELECONFERENCE MEETING ***

CEDA BOARD OF DIRECTORS

Thursday, April 26, 2018

Teleconference Locations

California Association for Local Economic Development (contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811	City of Vista (contact Kevin Ham or Reception) 200 Civic Center Dr. Vista, CA 92084	Sacramento Municipal Utility District (contact Mather Kearney) 6301 S Street Sacramento, CA 95817
City of Santa Clarita (contact Jason Crawford or Suzanne Carapella) 23920 Valencia Blvd., Suite 100 Santa Clarita, CA 91355	City of Lakeport (contact Margaret Silveira or Hilary Britton) 225 Park Street Lakeport, CA 95453	Los Angeles County Economic Development Corporation (LAEDC) (contact Carrie Rogers or Linden Johnson) 444 S. Flower St., 37 th Floor Los Angeles, CA 90071
County of Stanislaus (contact Keith Boggs or Sheryl Swartz) 1010 10 th Street, Suite 5003 Modesto, CA 95354	City of West Sacramento (contact Aaron Laurel or Polly Harris) 1110 West Capitol Avenue, 3 rd Floor West Sacramento, CA 95691	

Call to Order

Jason Crawford, Board Member of the California Enterprise Development Authority, called the meeting to order at 10:32am.

Roll Call

Members Present: Keith Boggs
Jason Crawford
Aaron Laurel
Carrie Rogers*

CALED Management/Staff

Present: Jillian Boyd
Helen Schaubmayer

Public: Michael Karlosky, Dividend Finance
David Sterlitz, Dividend Finance
Sam Balisy, Kutak Rock, LLP
Jessica Shaham, Kutak Rock, LLP

*Joined Late

Statement of Disclosure

None

Action Items

1. Approve Minutes from the Regular Meeting on April 19, 2018.

Discussion: Keith Boggs abstained from the motion, and we did not have a quorum to approve the minutes.

2. Approve Resolution No. 18-22 of the California Enterprise Development Authority Authorizing and Approving an Amendment and Restatement of the Master Assignment Agreement Between the California Enterprise Development Authority and Figtree Pace Bond Holdings, LCC, to Modify Certain Terms and Conditions of the Master Assignment Agreement and Authorizing and Approving Other Actions with Respect Thereto.

3.

Motion: Board Member Keith Boggs made the motion to approve Resolution No. 18-22. Board Member Aaron Laurel seconded the motion on the floor.

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jason Crawford	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye

Discussion: Michael Karlosky briefed the Board the agreement relates to CEDA’s Figtree Residential PACE Program. The changes to the master assignment agreement allow Dividend to pledge assigned PACE financing contracts as collateral for third-party financing lines, protecting CEDA from any claims from third-party lienholders by extending Dividend’s existing indemnification. Obtaining third-party financing for the PACE contracts assigned to Dividend significantly improves Dividend’s ability to take assignment of the contracts.

4. Approve Resolution No. 18-23 Approving Associate Membership by the City of Fort Bragg in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority.
5. Approve Resolution No. 18-24 Approving Associate Membership by the City of Point Arena in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority.
6. Approve Resolution No. 18-25 Approving Associate Membership by the City of Red Bluff in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority.

Motion: Board Member Carrie Rogers made the motion to approve Resolution No.’s 18-23 – 18-25. Board Member Keith Boggs seconded the motion on the floor.

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jason Crawford	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye

7. Approve Resolution No. 18-26 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements in the City of Fort Bragg.
8. Approve Resolution No. 18-27 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements in the City of Point Arena.
9. Approve Resolution No. 18-28 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements in the City of Red Bluff.

Motion: *Board Member Aaron Laurel made the motion to approve Resolution No. 's 18-26 – 18-28. Board Member Carrie Rogers seconded the motion on the floor.*

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jason Crawford	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye

Public Comment

Chair Report

PACE Report

Other Business

Adjournment

Motion: *Board Member Keith Boggs made the motion to adjourn the meeting. Board Member Aaron Laurel seconded the motion on the floor. Board Member, Jason Crawford adjourned the meeting at 10:41 am by voice vote.*

Staff Report

Actions Requested	Approve Resolution No. 18-29 Approving Associate Membership by the City of Huron in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority.
Public Benefits	Adoption of Resolution No. 18- 29 will allow CEDA to issue bonds and other tax-exempt financings within the City of Huron. CEDA's issuance costs and ongoing annual fees are competitive and/or lower than other conduit issuers. The savings realized by borrowers using CEDA conduit-financing programs can then be used to further expand the underlying business and/or hire additional employees.
Recommendation	Staff recommends approval of Resolution No. 18-29 Approving Associate Membership by the City of Huron in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority.

RESOLUTION NO. 18-29

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY THE CITY OF HURON IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO ASSOCIATE MEMBERSHIP OF THE CITY IN THE AUTHORITY

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Enterprise Development Authority (the “Authority”) was organized; and

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

WHEREAS, the City of Huron (the “Public Entity”) desires to join the Authority and has passed the requisite resolution approving the Public Entity becoming an associate member of the Authority and has approved an Associate Membership Agreement (the “Associate Membership Agreement”); and

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

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

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

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

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

PASSED AND ADOPTED this 17th of May, 2018.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Helen Schaubmayer, 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 May 17th, 2018.

Helen Schaubmayer, Assistant Secretary

Staff Report

Action Requested	Approve Resolution No. 18-30 of the California Enterprise Development Authority Authorizing and Approving an Amendment to Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Constructing, Developing, Installing, Improving, Equipping and Furnishing Certain Facilities for the Benefit of SMG Arts Property, LLC and California School of the Arts-San Gabriel Valley, Providing the Terms and Conditions for Such Amendment to Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	SMG Arts Property, LLC (Occupant = California School of the Arts-San Gabriel Valley)
Borrower Description	<p>SMG Arts Property, LLC, is the sole member of the California School of the Arts-San Gabriel Valley, a 501(c)(3) non-profit organization. California School is a charter school that will serve grades 7 through 12 in leased facilities which SMG Arts licenses from the Duarte Unified School District. In these facilities, California School will provide a rigorous college preparatory academic program and pre-professional arts conservatory training. In its inaugural year of operations, there are approximately 710 students enrolled in grades 7 through 12. Once fully enrolled, California School expects to serve approximately 1,200 students. The management of California School will be provided by SMG-Arts Management, an affiliate of the Orange County School of the Arts which is one of the largest single-campus public charter schools in the country and has recently closed a financing with the Authority. Web site: http://sgv.csarts.net/</p> <p>SMG Arts Property, LLC, a California limited liability company (or any affiliate thereof or successor thereto) the sole member of which is the California School of the Arts-San Gabriel Valley, a California nonprofit public benefit corporation has requests the Authority to make a loan in the aggregate principal amount not to exceed \$2,000,000 to the Borrower for the purpose of financing and refinance the acquisition, construction, development, renovation, equipping and furnishing of educational facilities, which will be leased by the Borrower to the School, on property leased from the Duarte Unified School District located at 1401 Highland Avenue, Duarte, California 91010, including, but not limited to, the acquisition and installation of portable educational facilities and the rehabilitation of existing educational facilities and related facilities and paying certain costs of issuance in connection with the Loan. This is an additional tranche to the loan obligations issued by the Authority in December 2017 and will assist the California School of Arts to accommodate is full projected increased enrollment of 1,000 students in the 2018-2019 academic year.</p>
Public Benefits	This tax-exempt financing will assist the California School of Arts to accommodate is full projected increased enrollment of 1,000 students in the 2018-2019 academic year.
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; <p>Proposed financing is appropriate for the project.</p>

Recommendation	■ Staff recommends approval of Resolution No. 18-30 of the California Enterprise Development Authority Authorizing and Approving an Amendment to Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Constructing, Developing, Installing, Improving, Equipping and Furnishing Certain Facilities for the Benefit of SMG Arts Property, LLC and California School of the Arts-San Gabriel Valley, Providing the Terms and Conditions for Such Amendment to Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 18-30

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING AN AMENDMENT TO LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CONSTRUCTING, DEVELOPING, INSTALLING, IMPROVING, EQUIPPING AND FURNISHING CERTAIN FACILITIES FOR THE BENEFIT OF SMG ARTS PROPERTY, LLC AND CALIFORNIA SCHOOL OF THE ARTS-SAN GABRIEL VALLEY, PROVIDING THE TERMS AND CONDITIONS FOR SUCH AMENDMENT TO 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 “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 Duarte (the “City”) is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

WHEREAS, in accordance with the requirements of Section 147(f) of the Code and the Act, the City Council of the City adopted, on November, 2017, a resolution approving the issuance of tax-exempt obligations in order to finance and refinance the Facilities from time to time pursuant to a plan of finance; 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 for the purposes of carrying out its purposes; and

WHEREAS, SMG Arts Property, LLC, a California limited liability company (or any affiliate thereof or successor thereto) (the “Borrower”), the sole member of which is the California School of the Arts-San Gabriel Valley, a California nonprofit public benefit corporation (the

“School”), 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 \$2,000,000 to the Borrower for the purpose of financing and refinance the acquisition, construction, development, renovation, equipping and furnishing of educational facilities, which will be leased by the Borrower to the School, on property leased from the Duarte Unified School District located at 1401 Highland Avenue, Duarte, California 91010, including, but not limited to, the acquisition and installation of portable educational facilities and the rehabilitation of existing educational facilities and related facilities (collectively, the “Facilities”) and paying certain costs of issuance in connection with the Loan (as defined below); and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt and/or taxable loan from Pacific Premier Bank (the “Lender”) to the Authority (the “Authority Loan” and, together with the Borrower Loan, the “Loan”) to make the Borrower Loan; and

WHEREAS, there have been placed on file with the Authority prior to this meeting a proposed form of the First Amendment to Loan Agreement, by and among the Lender, the Authority and the Borrower (the “Amendment”), amending that certain Loan Agreement, dated as of December 1, 2017, by and among the Borrower, Farmers and Merchants Bank of Long Beach, as the original lender, and the Authority (the “Original Loan Agreement” and, together with the Amendment, the “Loan Agreement”); 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; and

WHEREAS, the Facilities provide significant benefits to the residents of the City and surrounding community through the educational and arts facilities 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;

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

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

Section 2. The Authority hereby approves of the entering into the Authority Loan on a tax-exempt and/or taxable basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Amendment. 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 Amendment 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 Amendment 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 Amendment.

Section 4. The Authority approves the Authority Loan on a tax-exempt and/or taxable basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$2,000,000 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 or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

Section 5. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the 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 6. 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 counsel to the Authority or the Lender 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 7. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

Section 8. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this May 17, 2018.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Helen Schaubmayer, 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 May 17, 2018.

Helen Schaubmayer, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, SMG Arts Property, LLC, a California limited liability company (the “Borrower”) whose sole member is California School of the Arts San Gabriel Valley, a California nonprofit public benefit corporation, 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 19, 2018 (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 \$2,000,000 (the “Obligations”).

1. Pacific Premier Bank, as lender, 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): 4.1649%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$69,500.
 - 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: \$1,930,500.
 - 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): \$2,770,561.70.
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.

Staff Report

Action Requested	Approve Resolution No. 18-31 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing the Cost of Acquiring, Developing, Constructing, Installing, Equipping and Furnishing a Healthcare Facility for the Benefit of United Health Centers of the San Joaquin Valley and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	United Health Centers of the San Joaquin Valley
Borrower Description	<p>United Health Centers of the San Joaquin Valley (UHC) is a private non-profit organization founded in 1971 to provide health services to rural communities in the Central Valley and is a Federally Qualified Health center (FQHC). UHC provides comprehensive medical, dental and community health services to the medically underserved in rural communities in the Central Valley. UHC has 15 clinics in 3 counties (Fresno, Tulare and Kings). UHC is staffed by a comprehensive team of over 500 health professionals consisting of physicians, physician assistants, nurse practitioners, nurses, pharmacists, lab and x-ray technicians, dentists, dental hygienists, nutritionists, and certified ancillary personnel, most of whom are bilingual. UHC delivers approximately 383,000 medical, dental, optometry, behavioral health and other services in a year. This resolution in regard to financing UHC's City of Huron location. Web site: http://public.uhcofsjv.org/</p> <p>United Health Centers of the San Joaquin Valley, a California nonprofit public benefit corporation, request the Authority to make one or more loans in the aggregate principal amount not to exceed \$3,037,500 to the Borrower for the purpose of acquiring, developing, constructing, installing, equipping and furnishing an approximately 11,000 square foot healthcare facility located at the northwest corner of Lassen Avenue and 13th Street, Huron, California 93234, which will serve as a healthcare facility and paying certain costs of issuance in connection with such financing.</p>
Public Benefits	This tax-exempt financing will assist the United Health Center of the San Joaquin Valley in funding the development of rural health clinics to expand their services.
TEFRA Hearing	A public hearing was scheduled to be held by the City of Huron on May 16, 2018.
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; ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution No. 18-31 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing the Cost of Acquiring, Developing, Constructing, Installing, Equipping and Furnishing a Healthcare Facility for the Benefit of United Health Centers of the San Joaquin Valley and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 18-31

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 THE COST OF ACQUIRING, DEVELOPING, CONSTRUCTING, INSTALLING, EQUIPPING AND FURNISHING A HEALTHCARE FACILITY FOR THE BENEFIT OF UNITED HEALTH CENTERS OF THE SAN JOAQUIN VALLEY AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

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

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

WHEREAS, the City of Huron (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 United Health Centers of the San Joaquin Valley, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make one or more loans (collectively, the "Borrower Loan") in the aggregate principal amount not to exceed \$3,037,500 to the Borrower for the purpose of (i) acquiring, developing, constructing, installing, equipping and furnishing an approximately 11,000 square foot healthcare facility located at the northwest corner of Lassen Avenue and 13th Street, Huron, California 93234 (APN 075-390-14) (the "Facility"), which will serve as a

healthcare facility of the Borrower and (ii) paying certain costs of issuance in connection with such financing; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from Pacific Western Bank, a California state-chartered bank, or its successor (the “Lender”), to the Authority (collectively, the “Authority Loan”) to make the Borrower Loan; and

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

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

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

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the 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 Facility provide significant benefits to the residents of the City and surrounding community through the healthcare services provided by the Borrower and, based on representations of the Borrower, the financing of the Facility through the Authority will result in demonstrable savings in effective interest rate;

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

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

Section 2. The Authority hereby approves of the entering into the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loan.

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

approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

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

Section 5. The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$3,037,500 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 Facility, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

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

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

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

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

PASSED AND ADOPTED this 17th day of May, 2018.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Helen Schaubmayer, 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 May 17, 2018.

Helen Schaubmayer, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, United Health Centers of the San Joaquin Valley, 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 May 17, 2018 (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 \$3,037,500 (the “Obligations”).

1. Pacific Western Bank, a California state-chartered bank, as private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows (as further detailed in Schedule A attached hereto):
 - 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): 4.11594709%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$108,025.50.
 - 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: \$2,855,435.50.
 - 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): \$4,575,234.37.
2. The good faith estimates provided above were based on the information in Schedule I 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.

SCHEDULE A

LOAN FEE	\$15,187.50
DOC FEE	\$1,250.00
APPRAISAL FEE	\$4,000.00
APPRAISAL REVIEW FEE	\$700.00
FLOOD FEE	\$25.00
BUDGET REVIEW FEE	\$2,200.00
REAL ESTATE TAX SERVICE FEE	\$252.00
ISSUANCE AND LEGAL FEES	\$68,353.00
TITLE FEES	\$12,657.00
ALTA DISB 10 DRAW	\$3,000.00
RECORDING FEES	\$400.00
UNDISBURSED INTEREST RESERVE	<u>\$74,039.00</u>
TOTAL	\$182,064.50

Staff Report

Action Requested	Approve Resolution No. 18-32 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing the Cost of Acquiring, Developing, Constructing, Installing, Equipping and Furnishing a Healthcare Facility for the Benefit of United Health Centers of the San Joaquin Valley and/or A Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	United Health Centers of the San Joaquin Valley
Borrower Description	<p>United Health Centers of the San Joaquin Valley (UHC) is a private non-profit organization founded in 1971 to provide health services to rural communities in the Central Valley and is a Federally Qualified Health center (FQHC). UHC provides comprehensive medical, dental and community health services to the medically underserved in rural communities in the Central Valley. UHC has 15 clinics in 3 counties (Fresno, Tulare and Kings). UHC is staffed by a comprehensive team of over 500 health professionals consisting of physicians, physician assistants, nurse practitioners, nurses, pharmacists, lab and x-ray technicians, dentists, dental hygienists, nutritionists, and certified ancillary personnel, most of whom are bilingual. UHC delivers approximately 383,000 medical, dental, optometry, behavioral health and other services in a year. This resolution in regard to financing UHC's City of Selma location. The City of Selma is a founding member of CEDA.</p> <p>Web site: http://public.uhcfsjv.org/</p> <p>United Health Centers of the San Joaquin Valley, a California nonprofit public benefit corporation, requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$3,772,500 to the Borrower for the purpose of acquiring, developing, constructing, installing, equipping and furnishing an approximately 12,000 square foot healthcare facility located at 2705 South Highland, Selma, California 93662, which will serve as a healthcare facility and paying certain costs of issuance in connection with such financing.</p>
Public Benefits	This tax-exempt financing will assist the United Health Center of the San Joaquin Valley in funding the development of rural health clinics to expand their services.
TEFRA Hearing	A public hearing is scheduled to be held by the City of Selma on June 4, 2018.
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; ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution No. 18-32 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing the Cost of Acquiring, Developing, Constructing, Installing, Equipping and Furnishing a Healthcare Facility for the Benefit of United Health Centers of the San Joaquin Valley and/or A Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 18-32

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 THE COST OF ACQUIRING, DEVELOPING, CONSTRUCTING, INSTALLING, EQUIPPING AND FURNISHING A HEALTHCARE FACILITY FOR THE BENEFIT OF UNITED HEALTH CENTERS OF THE SAN JOAQUIN VALLEY AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Enterprise Development Authority (the “Authority”) was organized; and

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

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

WHEREAS, the City of Selma (the “City”) is a 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 United Health Centers of the San Joaquin Valley, a California nonprofit public benefit corporation (the “Borrower”), has submitted an application to the Authority requesting the Authority to make one or more loans (collectively, the “Borrower Loan”) in the aggregate principal amount not to exceed \$3,772,500 to the Borrower for the purpose of (i) acquiring, developing, constructing, installing, equipping and furnishing an approximately 12,000 square foot healthcare facility located at 2705 South Highland, Selma, California 93662 (the “Facility”), which will serve as a healthcare facility of the Borrower and (ii) paying certain costs of issuance in connection with such financing; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from Pacific Western Bank, a California state-chartered bank, or its successor (the “Lender”), to the Authority (collectively, the “Authority Loan”) to make the Borrower Loan; and

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

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

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

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the 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 Facility provide significant benefits to the residents of the City and surrounding community through the healthcare services provided by the Borrower and, based on representations of the Borrower, the financing of the Facility through the Authority will result in demonstrable savings in effective interest rate;

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

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

Section 2. The Authority hereby approves of the entering into the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loan.

Section 3. The proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

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

Section 5. The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$3,772,500 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 Facility, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

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

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

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

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

PASSED AND ADOPTED this 17th day of May, 2018.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Helen Schaubmayer, 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 May 17, 2018.

Helen Schaubmayer, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, United Health Centers of the San Joaquin Valley, 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 May 17, 2018 (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 \$3,772,500 (the “Obligations”).

1. Pacific Western Bank, a California state-chartered bank, as private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows (as further detailed in Schedule A attached hereto):
 - 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): 4.06018596%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$113,964.50.
 - 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: \$3,566,580.50.
 - 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): \$5,678,005.47.
2. The good faith estimates provided above were based on the information in Schedule I 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.

SCHEDULE A

LOAN FEE	\$18,862.50
DOC FEE	\$1,250.00
APPRAISAL FEE	\$4,000.00
APPRAISAL REVIEW FEE	\$700.00
FLOOD FEE	\$25.00
BUDGET REVIEW FEE	\$2,200.00
REAL ESTATE TAX SERVICE FEE	\$322.00
ISSUANCE AND LEGAL FEES	\$70,375.00
TITLE FEES	\$12,830.70
ALTA DISB 10 DRAW	\$3,000.00
RECORDING FEES	\$400.00
UNDISBURSED INTEREST RESERVE	<u>\$91,955.00</u>
TOTAL	\$205,919.50