

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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

**10:30 A.M.
Thursday, June 28, 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 Meeting on June 14, 2018.
2. Approve Resolution No. 18-53 of the California Enterprise Development Authority Making Determinations with Respect to the Financing of Facilities for the Benefit of Exhaust Center, Inc., C.A. Guy, LLC, and/or a Related Entity and Declaring its Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness and Authorizing Related Actions.
3. Approve Resolution No. 18-54 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, Construction, Renovation, Equipping and Furnishing of Facilities for the Benefit of Neighborhood Healthcare and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
4. Rescind Resolution 17-113 of the Board of Directors of the California Enterprise Development Authority Which Approved a Resolution of Intention, respectively, for the City of Sunnyvale.
5. Approve contributions to support economic development:
 - a. \$130,000 to the California Association for Local Economic Development to support its 2018-2019 Work Program.
6. Approve the amended FY 2018-2019 CEDA Budget.

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

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

California Association for Local Economic Development City of Vista (contact Kevin Ham or
550 Bercut Drive, Suite G, Sacramento, CA 95811 • (916) 448-8252, ext. 16
Sacramento Municipal Utility District
(contact Mather Kearney)

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

(contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811	Reception) 200 Civic Center Dr. Vista, CA 92084	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, 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	

This agenda can be obtained at www.ceda.caed.org. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 16.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
Regular Meeting
*****TELECONFERENCE MEETING *****
CEDA BOARD OF DIRECTORS
Thursday, June 14, 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
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Call to Order

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

Roll Call

Members Present: Keith Boggs
Jason Crawford
Kevin Ham
Gurbax Sahota
Margaret Silveira

CALED Management/Staff

Present: Jillian Boyd
Helen Schaubmayer

Public: Sam Balisy, Kutak Rock, LLC
Kirk Dowdell, Dowdell Consulting Group
Peter Grabell, Dividend Finance
Dom Betro, Family Service Association
Bill Brown, Family Service Association
Gordon Nihei, Family Service Association
Rick Teichert, Family Service Association
Kathryn Wittenmyer, San Francisco Conservatory of Music

Statement of Disclosure

None

Action Items

1. Approve Minutes from the Regular Meeting on May 31, 2018.

Motion: Board Member Kevin Ham made the motion to approve minutes from the Regular Meeting on May 31, 2018. 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
Gurbax Sahota	Aye
Margaret Silveira	Aye

2. Approve Resolution No. 18-40 of the California Enterprise Development Authority Authorizing and Approving Master Loan Agreement with First Republic Bank and the San Francisco Conservatory of Music, Pursuant to which the California Enterprise Development Authority Will Make One or More Loans in a Total Aggregate Amount Not to Exceed \$100,000,000 for the Purpose of Financing and Refinancing the Acquisition, Construction, Renovation, Improvement, and Equipping of Certain Educational and Related Facilities, Providing the Terms and Conditions for Such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.

Motion: Board Member Jason Crawford made the motion to approve Resolution No. 18-40. Board Member Kevin Ham seconded the motion on the floor.

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jason Crawford	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

Discussion: Helen briefed the Board about the San Francisco Conservatory of Music who has provided internationally acclaimed music education in San Francisco for the last 100 years. Helen stated the San Francisco Conservatory of Music serves over 400 students each year ranging from both graduate and undergraduate. Helen mentioned the San Francisco Conservatory of Music focuses on educating students and providing a wide range of free and low-cost community programming, including over 400 free public performances annually and numerous live music programs in schools, hospitals, retirement and children’s facilities. The San Francisco Conservatory of Music requests the Authority to make one or more loans not to exceed \$100,000,000 to finance a new twelve-story, approximately 170,000-square-foot, mixed-use building, which would include student and faculty housing, education space, a student lounge, a recital hall and a performance hall, replacement rent-controlled housing units, ground-floor-level retail/commercial space, and administrative offices, to be located in San Francisco.

3. Approve Resolution No. 18-41 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 Acquisition, Construction, Expansion, Renovation of, and Equipping of Facilities to Be Used for the Benefit of Family Service Association 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 Margaret Silveira made the motion to approve Resolution No. 18-41. 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
Gurbax Sahota	Aye
Margaret Silveira	Aye

Discussion: Helen briefed the Board about the Family Service Association Inc., who was founded in 1956. Helen mentioned the Family Service Association has responded to the changing dynamics of families, by expanding the scope of services to meet family's healthcare needs. Helen stated the Family Service Association's quality services include child development, housing, and senior services to low-income and minority families within the Inland Empire and Desert Communities and serves approximately 33,000 clients, which include children and seniors. Helen briefed the Board the Family Service Association requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$2,500,000 000 for the purpose of financing their facility located in the Jurupa Valley. This property consists of a community service space, offices, storage and parking.

4. Approve Resolution No. 18-42 Approving Associate Membership by the City of Brisbane 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. 18-43 Approving Associate Membership by the City of Morgan Hill 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. 18-44 Approving Associate Membership by the City of Twentynine Palms 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 Jason Crawford made the motion to approve Resolution No. 's 18-42 – 18-44. Board Member Kevin Ham seconded the motion on the floor.

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jason Crawford	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

Discussion: Helen briefed the Board that the jurisdictions were brought to CEDA with the interest in joining the PACE program.

7. Approve Resolution No. 18-45 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 Brisbane.

8. Approve Resolution No. 18-46 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 Morgan Hill.
9. Approve Resolution No. 18-47 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 Twentynine Palms.

Motion: *Board Member Margaret Silveira made the motion to approve Resolution No. 's 18-45 – 18-47. 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
Gurbax Sahota	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 jurisdictions.

Gurbax opened the public hearing, hearing no public comment Gurbax closed the public hearing.

Public Hearing (Action Items 10 through 14)

10. Approve Resolution No. 18-48 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 in the City of Fort Bragg.
11. Approve Resolution No. 18-49 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 in the City of Point Arena.
12. Approve Resolution No. 18-50 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 in the City of Red Bluff.

13. Approve Resolution No. 18-51 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 in the County of Fresno.
14. Approve Resolution No. 18-52 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 in the Town of Mammoth Lakes.

Motion: *Board Member Keith Boggs made the motion to approve Resolution No. 's 18-48 – 18-52. Board Member Margaret Silveira seconded the motion on the floor.*

The motion passed with the following roll call vote:

Keith Boggs	Aye
Jason Crawford	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

Discussion: Helen briefed the Board the approval of the public hearing resolutions is the final step in a two-step process necessary for the implementation of the PACE program within the jurisdictions.

Public Comment

Chair Report

Helen mentioned there is a meeting on June 28th. Gurbax discussed AB 1547 and will follow up.

PACE Report

Peter Grabell briefed the Board that Ygrene is merging with Renovate America.

Other Business

Adjournment

Motion: *Board Member Keith Boggs made the motion to adjourn the meeting. Board Member Margaret Silveira seconded the motion on the floor. Board Chair, Gurbax Sahota adjourned the meeting at 10:48 am by voice vote.*

Staff Report

Action Requested	Approve Resolution No. 18-53 of the California Enterprise Development Authority Making Determinations with Respect to the Financing of Facilities for the Benefit of Exhaust Center, Inc., C.A. Guy, LLC, and/or a Related Entity and Declaring its Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness and Authorizing Related Actions.
Borrower(s)	Exhaust Center, Inc., C.A. Guy, LLC
Borrower Description	<p>C.A. Guy is a commercial rental real estate business that was formed as a limited liability company in 2006. C.A. Guy owns the commercial space located in Upland, California and rents this property to the operator, Exhaust Center, Inc. (ECI) since 2014. ECI manufactures a complete line of auxiliary part fuel systems. The auxiliary fuel system line has been designed to be used in a variety of applications, from powering a small engine or generator to being used as a refueling station for other equipment. ECI works with Onan, Honda, and other manufactures to design, test and build fuel systems that allows its customers to build products that meet all of the compliance standards and government regulations. ECI Fuel Systems may be found in conjunction with a diverse range of products. Everything from mobile surveillance towers used in the protection of our borders to farming equipment used for frost control. Along the way ECI has pioneered many innovative techniques to build environmentally friendly products.</p> <p>Website: http://www.ecifuelsystems.com/</p> <p>Exhaust Center, Inc. C.A. Guy, LLC requests the Authority’s assistance in financing and refinancing, through the use of tax-exempt and/or taxable obligations in the aggregate amount not to exceed \$9,000,000, for the acquisition, construction and equipping of the property located at 1794 W. 11th Street, Upland, California for the acquisition and the construction and installation of two new manufacturing facilities containing 25,000 square feet and 15,000 square feet on such real property and the acquisition and installation of manufacturing equipment; payment of capitalized interest with respect to the Obligations, funding of a reserve fund, if necessary, with respect to the Obligations and payment of certain costs of issuance in connection with the Obligations.</p>
Public Benefits	This tax-exempt financing will assist the Exhaust Center, LLC in creating approximately 15 new jobs in a clean manufacturing environment. This will reduce their carbon footprint by not having to transport products to other locations for additional processing.
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. 18-53 of the California Enterprise Development Authority Making Determinations with Respect to the Financing of Facilities for the Benefit of Exhaust Center, Inc., C.A. Guy, LLC, and/or a Related Entity and Declaring its Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness and Authorizing Related Actions.

RESOLUTION NO. 18-53

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING DETERMINATIONS WITH RESPECT TO THE FINANCING OF FACILITIES FOR THE BENEFIT OF EXHAUST CENTER, INC., C.A. GUY, LLC, AND/OR A RELATED ENTITY AND DECLARING ITS INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS AND AUTHORIZING RELATED ACTIONS

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, (commencing with Section 6500) (the “Act”), the Cities of Selma, Lancaster and Eureka, have entered into a Joint Powers Agreement, dated as of June 1, 2006 (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 in order to promote economic development, including specifically bonds issued for the purposes contained in the California Industrial Development Financing Act (constituting Title 10 of the California Government Code) (the “Financing Act”) pursuant to Section 6547.7 of the Act; and

WHEREAS, Exhaust Center, Inc., a California corporation, C.A. Guy, LLC, a California limited liability company, and/or a relating entity (collectively, the “Borrower”) are each duly organized and existing under the laws of the State of California (the “State”), and are each duly qualified to do business in the State, and, under their respective organizational documents, the Borrower is authorized to undertake the acquisition, construction, rehabilitation, equipping, furnishing and financing of buildings and facilities; and

WHEREAS, the Borrower has requested the Authority’s assistance in financing and refinancing, through the use of tax-exempt and/or taxable obligations (the “Obligations”), (1) the acquisition, construction and equipping of the property located at 1794 W. 11th Street, Upland, California 91786, (2) the acquisition of the real property identified as Assessor’s Parcel No. 1007-261-06; (3) the construction and installation of two new manufacturing facilities containing 25,000 square feet and 15,000 square feet on such real property and the acquisition and installation of manufacturing equipment; (4) payment of capitalized interest with respect to the Obligations, (5) funding of a reserve fund, if necessary, with respect to the Obligations and (6) payment of certain costs of issuance in connection with the Obligations (collectively, the “Project”); and

WHEREAS, the Borrower expects to pay certain expenditures (the “Reimbursable Expenditures”) in connection with the Project prior to the issuance by the Authority of the Obligations for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, pursuant to Resolution 06-01 adopted by the Board of Directors on July 14, 2006, the Chair of the Board of Directors executed a reimbursement certificate, dated May 8, 2018 (the "Reimbursement Certificate") for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations; and

WHEREAS, subject to the satisfaction of the conditions to the issuance of the Obligations set forth in this Resolution, the Authority reasonably expects that Obligations in an aggregate amount not expected to exceed \$9,000,000 will be issued to finance the costs of the Project and that certain of the proceeds of the Obligations will be used to reimburse the Reimbursable Expenditures;

NOW, THEREFORE, the Board of Directors of the California Enterprise Development Authority does resolve as follows:

Section 1. This Resolution is adopted for purposes of ratifying the execution of the Reimbursement Certificate and establishing compliance with the Act and the Financing Act. This Resolution does not bind the Authority to make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

Section 2. Based on the representations of the Borrower, the Board of Directors of the Authority hereby finds and determines:

a. That the use of the Project for manufacturing purposes is in accord with Section 91503 of the Financing Act;

b. That the use of the Project is likely to produce employment benefits by securing or increasing the number of employees of the Borrower and any other direct users of the Project or the compensation for such employment;

c. That the issuance of the Bonds by the Authority in the amount sufficient to finance all or a portion of the cost of the Project is likely to be a substantial factor in the accrual of each of such public benefits from the use of the Project; and

d. That the proposed financing of the Project is otherwise in accord with the purposes and requirements of the Financing Act.

Section 3. The Board of Directors of the Authority hereby declares its reasonable official intent to use proceeds of the Obligations to finance the costs of the Project and to reimburse the Borrower for the Reimbursable Expenditures.

Section 4. In no event shall the Obligations constitute a pledge of the faith and credit of the State or any political corporation, subdivision or agency of the State, including the members of the Authority, and neither the State nor any political corporation, subdivision or agency of the State, including the members of the Authority, shall be liable to make any appropriation for the repayment of the Obligations. The Obligations shall constitute a special, limited obligation of the Authority payable solely from the revenues or other sources provided for in a loan agreement and proceedings to be provided for hereafter.

Section 5. The issuance of the Obligations is subject to the following conditions: (a) the Authority and the Borrower shall have first agreed to mutually acceptable terms for the Obligations and mutually acceptable terms and conditions of the loan agreement or other financing agreement, tax regulatory agreement and other related documents for the issuance of the Obligations, (b) all requisite governmental approvals shall have first been obtained, and (c) a resolution approving the financing documents to which the Authority will be a party shall have been adopted by the Board of Directors of the Authority.

Section 6. The Chair of the Board of Directors and the Executive Director of the Authority are hereby requested and authorized to file such information with the California Industrial Development Financing Advisory Commission and the California Debt Limit Allocation Committee as may be required for the review and approval of the Project pursuant to the Financing Act.

Section 7. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Authority in connection with the financing of the Project are hereby ratified and confirmed. The officers and their designees, employees and agents of the Authority are hereby authorized to take any and all actions in connection with the financing of the Project and as may be necessary and consistent with the purposes of this Resolution.

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

PASSED, APPROVED AND ADOPTED by the Board of Directors of the California Enterprise Development Authority at its meeting thereof held June 28, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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 June 28, 2018.

By _____
Helen Schaubmayer, Assistant Secretary

Staff Report

Action Requested	Approve Resolution No. 18-54 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, Construction, Renovation, Equipping and Furnishing of Facilities for the Benefit of Neighborhood Healthcare 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)	Neighborhood Healthcare
Borrower Description	<p>Neighborhood Healthcare is a federally funded Community health Clinic that began operations in 1959 and now currently employs about 544 individuals. Its service area includes Escondido, Temecula, Pauma Valley, Menifee, Lakeside, El Cajon, and the North Inland San Diego County. This 501(C)3 organization provides 281,100 medical, dental and behavioral health visits to 69,500 people annually and has 9 health centers throughout San Diego and Riverside Counties.</p> <p>Website: https://www.nhcare.org/</p> <p>Neighborhood Healthcare, a California nonprofit public benefit corporation requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$5,575,000 for the purpose of financing and refinancing of the cost of the acquisition, construction, renovation, equipping and furnishing of healthcare facilities located at: 13010 Poway Road, Poway, California, consisting of an 8,500 square foot healthcare facility with 15 exam rooms on approximately 1.12 acres of land; and 815 East Pennsylvania Avenue, Escondido, California, consisting of an approximately 9,000 square foot healthcare facility; and paying certain costs of issuing the Loans.</p>
Public Benefits	This tax-exempt financing will assist Neighborhood Healthcare in their operating costs and those savings to be used to serve the community.
TEFRA Hearing	A public hearing was held by the County of San Diego on May 15, 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. 18-54 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, Construction, Renovation, Equipping and Furnishing of Facilities for the Benefit of Neighborhood Healthcare 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. 18-54

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 THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND FURNISHING OF FACILITIES FOR THE BENEFIT OF NEIGHBORHOOD HEALTHCARE 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 County of San Diego (the "County") is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

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

WHEREAS, Neighborhood Healthcare, 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 \$5,575,000 to the Borrower for the purpose of (i) financing and refinancing of the cost of the acquisition, construction, renovation, equipping and furnishing of healthcare facilities located at: (a) 13010 Poway Road, Poway, California 92064, consisting of an 8,500 square foot healthcare facility with 15 exam rooms on approximately 1.12 acres of land; and (b) 815 East Pennsylvania Avenue, Escondido, California 92025, consisting of an approximately 9,000 square foot healthcare

facility (together, the “Facilities”); and (ii) paying certain costs of issuing the Loans (as defined herein); and

WHEREAS, the Authority intends to use the proceeds of one or more taxable or tax-exempt loans from City National Bank, a national banking association, or its successor (the “Lender”), to the Authority (the “Authority Loan”) to make the initial Borrower Loan in the amount of \$2,500,000 (the “Borrower Loan” and, together with the Authority Loan, the “Loans”); 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 Facilities provide significant benefits to the residents of the County and surrounding community through the healthcare services provided by the Borrower, and the financing and refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

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

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

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

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

insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

Section 4. The proposed form of the Assignment Agreement, by and between the Authority and the Lender, on file with the Secretary of the Authority, are 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 \$2,500,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

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

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

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

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

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

PASSED AND ADOPTED this 28th of June, 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 June 28, 2018.

Helen Schaubmayer, Assistant Secretary

ATTACHMENT I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Neighborhood Healthcare, 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 June 28, 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 \$2,500,000 (the “Obligations”).

1. City National Bank, a national banking association, 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): 4.23962%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$57,500.00.
 - 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: \$2,442,500.
 - 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): \$3,318,875.29.
2. The good faith estimates provided above and in Schedule A 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.

SCHEDULE A
CALCULATIONS

[See Attached]

RESOLUTION NO. 18-55

RESOLUTION 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 SUNNYVALE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 6. Public Hearing. Pursuant to the Act, CEDA hereby orders that a public hearing be held before CEDA Board (the “Board”), at 550 Bercut Drive, Suite G, Sacramento, CA 95811, on Thursday, August 9, 2018, at 10:30 AM, for the purposes of allowing interested persons to object to, or inquire about, the proposed Figtree PACE Program. The public hearing may be continued from time to time as determined by the Board for a time not exceeding a total of 180 days.

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

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

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

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

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 hereof.

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

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

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

Section 11. Preparation of Current Roll of Assessment. Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator as the responsible party for annually preparing the current roll of assessment obligations by assessor’s parcel number on property subject to a voluntary contractual assessment.

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

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

PASSED AND ADOPTED this 28th day of June, 2018.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

Helen Schaubmayer, Assistant Secretary

Staff Report

Action Requested	Approve contributions to support economic development: a. \$130,000 to the California Association for Local Economic Development to support its 2018-2019 Work Program.
Staff Discussion	<p>CEDA was created with the intent to give back to economic development. As such, the CEDA Board of Directors has the authority to contribute funds deemed as surplus to organizations for economic development purposes.</p> <p>CEDA has had several projects close within the last 30 days increasing its end-of-year issuance fee revenue significantly. With that in mind, we ask the CEDA Board to consider an additional contribution to economic development of \$130,000 to support CALED's 2018-2019 Work Program.</p> <p>CALED has requested specific support for the following items:</p> <ul style="list-style-type: none">○ Funds to support Rural Exchange initiative – this includes a rural summit where CEDA will be prominently highlighted and up to \$35,000 to provide a cash match for a USDA grant. If CALED is not selected for the grant, the funds will be used to further support the activities of the Rural Exchange and provide technical assistance to rural communities.○ Funds to support moving CALED and our affiliates. Our cost to move the organization and accommodate CEDA's onsite files and staff may be greater than anticipated – including possibly having to pay to tenant improvements and new furniture for office space.○ Funds to support the work of CALED's Economic Development Finance and Real Estate Committee for projects such as creation and mailing of an AB 806 primer and creation and mailing of an updated TIF Tools Comparison chart.○ Contributions made under this request will support specific projects as those noted above and will not be used for general administrative expenses. <p>CALED is the premier statewide professional economic development organization dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership consists of public and private organizations and individuals involved in economic development: the business of creating and retaining jobs.</p>
Eligibility and Policy Review	CEDA staff has reviewed the bylaws and Joint Powers Agreement. The request is part of Article VI; Section 6.4, which permits moneys held by the Authority and deemed surplus may be allocated as directed by the Board for economic development purposes.

Recommendation	Staff recommends to approve contributions to support economic development: a. \$130,000 to the California Association for Local Economic Development to support its 2018-2019 Work Program.
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Staff Report

Action Requested	Approve the amended FY 2018-2019 CEDA Budget.
Staff Discussion	<p>From conversations with a commercial broker and from multiple site visits of potential office space, it has become clear that CEDA's space requirements are greater than those of CALED and would require CALED to locate in a larger space to accommodate items such as CEDA's bond binders and document storage (required to stay on site), as well as the staff space needed to support the work of the organization.</p> <p>In light of that, we have amended the budget to reflect CEDA signing an office lease and contributing space to CALED through an amended management agreement. After a site is confirmed, both the lease and amended management agreement will be brought to the CEDA board for approval.</p> <p>This action is to update the approved 2018-2019 budget to include the potential cost if the CEDA board approved the lease.</p>
Recommendation	Staff recommends to approve the amended FY 2018-2019 CEDA Budget.

California Enterprise Development Authority (CEDA) Profit and Loss Budget vs. Actual (July 2017 through June 2018) and Amended Proposed Budget 2018-2019 - June 28, 2018

	Jul '17 - Jun '18		Jul '18 - Jun '19	
	June 1,2018 estimate of 6.30.18	June 28,2018 estimate of 6.30.18 Budget	June 28,2018 estimate of 6.30.18	June 28, 2018 Amended Proposed Budget
Ordinary Income/Expense				
Income				
Non Operating Revenue				
Interest	149.60	150.00	149.60	150.00
Operating Revenue				
Fee Revenues				
PACE Program Management Fees	75,000.00	75,000.00	75,000.00	75,000.00
PACE Assessment Fees				
September Assessment Fees	7,554.63	2,896.60	7,554.63	4,597.29
March Assessment Fees	4,887.70	3,384.91	4,887.70	4,750.81
Total PACE Assessment Fees	12,442.33	6,281.51	12,442.33	9,348.10
General Fee				
Issuance Fees				
Issuance Fee-PACE	9,347.37	5,000.00	9,347.37	5,000.00
Issuance Fee-IDB				
Issuance Fee-Nonprofit	339,430.50		441,220.50	
Issuance Fees - Other		250,000.00		300,000.00
Total Issuance Fees	348,777.87	255,000.00	450,567.87	305,000.00
Annual Fee	109,500.00	113,000.00	109,500.00	117,000.00
Application Fees	27,000.00	25,000.00	27,000.00	25,000.00
Total Fee Revenues	572,720.20	474,281.51	674,659.80	531,498.10
Total Income	572,869.80	474,431.51	674,659.80	531,498.10
Expense				
Operating Expenses				
Contribution to Econ Dev				
CALED Mission Support (1)	110,000.00	75,000.00	240,000.00	50,000.00
Scholarship	5,000.00	5,000.00	5,000.00	5,000.00
Contribution to Econ Dev - Other	51,023.97	10,000.00	51,023.97	10,000.00
Total Contribution to Econ Dev	166,023.97	90,000.00	296,023.97	65,000.00
Direct Expenses				
Office Move & Lease				75,000.00
Bank Fees	509.63	435.00	509.63	600.00
Meal & Entertainment	304.40	1,200.00	304.40	1,200.00
Office Expense	6,011.15	6,000.00	6,011.15	6,000.00
Computers/Maintenance	457.63	4,500.00	457.63	1,500.00
Staff Training	4,066.48	3,000.00	4,066.48	3,000.00
Accounting	347.75	2,500.00	347.75	1,500.00
Audit	8,850.00	9,000.00	8,850.00	9,000.00
Contract Services	1,260.00	1,000.00	1,260.00	1,500.00
Printing/Marketing	4,744.41	5,000.00	4,744.41	5,000.00
Travel	5,656.47	10,000.00	5,656.47	10,000.00
Professional/Legal Fees	14,194.00	0.00	14,194.00	20,000.00
Insurance	2,307.47	3,100.00	2,307.47	3,100.00
Total Direct Expenses	48,709.39	45,735.00	48,709.39	137,400.00
Management Fees	300,000.00	300,000.00	300,000.00	300,000.00
Total Operating Expenses	514,733.36	435,735.00	644,733.36	502,400.00
Total Expense	514,733.36	435,735.00	644,733.36	502,400.00
Net Ordinary Income	58,136.44	38,696.51	29,926.44	29,098.10
Other Income/Expense				
Other Expense				
Prior Period Annual Fee Credit Memo (2)	500.00	0.00	500.00	0.00
Total Other Expense	500.00	0.00	500.00	0.00
Net Other Income	0.00	0.00	0.00	0.00
Net Income	57,636.44	14,231.52	29,426.44	29,098.10

Footnotes:

- (1) Estimate assumes board approval of economic development contribution.
- (2) Prior period credit memo of annual fee made after the Audit.

Note: Butte County made assessment payments directly to CEDA instead of trustee reflecting the following transactions:

Conduit Revenue = \$209,757.72

Conduit Disbursement = \$206,852.03

Remaining balance of \$2,905.69 is Butte County's R-PACE contracts' assessment collection.

This amount was paid by CEDA to the assessment contract holder, Dividend Finance.