



Agenda

Tuesday, September 15, 2015

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board

2. **APPROVAL OF MINUTES**
Approval of the minutes from the September 1, 2015 regular meeting.

3. **NEW BUSINESS ACTION ITEMS**
A. Consider approving resolution 15-01A for Marin Montessori School, City of Corte Madera, County of Marin; up to \$8,400,000 of revenue bonds. (Staff – Scott Carper)

4. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.

5. **ADJOURNMENT**
Adjourn as the California Public Finance Authority.



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2. **APPROVAL OF MINUTES**

Consideration of the Minutes of the September 1st, 2015 Regular Meeting.



Action Summary

Tuesday, September 1, 2015

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **B 1** **CALL TO ORDER**
 ROLL CALL – Clerk to the Board
 All members present

2. **APPROVAL OF MINUTES**
 Approval of the minutes from the August 11, 2015 regular meeting.
 ACTION: APPROVED AS PRESENTED (JN/DV/RV/CP/RF-Aye)

3. **CONSENT CALENDAR**
 A. Consideration of approving an inducement resolution for Pierce Park Apartment Associates, LP, City of Los Angeles, County of Los Angeles; up to \$110 million of multifamily housing revenue bonds.
 ACTION: APPROVED AS PRESENTED (CP/DV/JN/RV/RF-Aye)

4. **NEW BUSINESS ACTION ITEMS**
 A. Consideration of First Amendment to GPM Municipal Advisors Services Agreement.
 ACTION: APPROVED AS PRESENTED (JN/DV/RV/CP/RF-Aye)
 B. Consideration of approving the CalPFA Investment Policy.
 ACTION: APPROVED AS PRESENTED (DV/JN/RV/CP/RF-Aye)
 C. Consideration of establishing the CalPFA Asset Ownership Program.
 ACTION: APPROVED AS AMENDED (DV/JN/RV/CP/RF-Aye)

5. **PUBLIC COMMENT**
 Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item. **None**

6. **ADJOURNMENT**
 The meeting was adjourned at 12:06 p.m.



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3. NEW BUSINESS ACTION ITEMS

- A. Consider approving resolution 15-01A for Marin Montessori School, City of Corte Madera, County of Marin; up to \$8,400,000 of revenue bonds. (Staff – Scott Carper)



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DATE:	SEPTEMBER 15, 2015
APPLICANT:	MARIN MONTESSORI SCHOOL, INC.
AMOUNT:	UP TO \$8.5 MILLION OF TAX-EXEMPT NONPROFIT REVENUE BONDS
PURPOSE:	REFUNDING OF 2011 REVENUE BONDS
PRIMARY ACTIVITY:	PRIMARY TO JUNIOR HIGH SCHOOL EDUCATION
LEGAL STRUCTURE:	NONPROFIT PUBLIC BENEFIT CORPORATION

Background:

Marin Montessori School (the "School") was founded as a preschool in 1963 in a converted house in San Rafael by parents who wanted to provide an educational community based on the teaching methods of Dr. Maria Montessori. In 1973, the School relocated to its current site along the San Francisco Bay in the Town of Corte Madera. The School provides the following programs for its students: a Toddler Level (for students 18 months up to 3 years old), a Primary Education Level (for students 2½ years to 6 years old), an Elementary Level (for students 6 years to 12 years old), and a Junior High Level (for students 12 to 15 years old).

Mission. The School's mission is to nurture the development of each student in the community to his or her potential – an independent, responsible, compassionate, learned individual who thinks critically and realizes clearly his or her role in the world. The School's mission is to provide education for life.

Vision. Inspired by the principles of Association Montessori International, the School strives every day to create a community of students, families, staff and faculty united in the development of each child – intellectually, physically, socially, creatively, emotionally and spiritually. Stimulated by thoughtfully prepared classrooms, guided by gifted faculty, but most of all inspired by their own curiosity, interests and tendencies, Marin Montessori School students thrive.

Accreditation. The School is affiliated with the Association Montessori International ("AMI") and adheres to the AMI Montessori principles. Marin Montessori School's accreditation from the AMI ensures that the School performs according to the highest standards of the Montessori philosophy, receives regular consultations from trained and qualified AMI consultants and is staffed by qualified AMI teachers and administrators. The School is one of just two AMI schools in Marin County.



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Description of Proposed Project:

In 2003, CSCDA issued \$6,000,000 in nonprofit revenue bonds to finance various capital improvements on the School's main campus (the "2003 Bonds"). In 2011 CSCDA issued \$6,500,000 in nonprofit refunding bonds to Refund all of the 2003 Bonds (the "2011 Bonds"). The 2011 Bonds were purchased by First Republic Bank, and will be refunded in full by the issuance of the Series 2015 Bonds.

The school has requested CalPFA to issue \$8,400,000 in refunding revenue bonds to refund the currently outstanding 2011 bonds. The school is moving forward with the refunding due to receiving a lower interest rate in the current marketplace.

TEFRA Information:

A TEFRA hearing was held by the County of Marin on August 25, 2015 and the Board of Supervisors unanimously approved the proposed financing. Kings County will hold a TEFRA hearing on September 15, 2015.

Financing Structure:

The Bonds will mature in no more than 25 years and bear interest at a fixed 2.65% rate for the first 7 years. At the end of the initial 7 year term the School may request an extension for an additional term. The Bonds will be purchased at closing by the Bank. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses

Sources:

Proceeds of Loan	\$8,000,000
School Contribution	<u>\$35,750</u>
	\$8,035,750

Uses:

Refunding of 2011 Bonds	\$5,817,000
Prepayment premium on 2011 Bonds	\$120,000
Bridge Loan Payoff	\$2,000,000
Costs of Issuance	<u>\$98,750</u>
Total	\$8,035,750



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Recommendations:

Based on the overall Project public benefit and finance related considerations detailed on Attachment 1, it is recommended that the Board of Directors approve the Resolution as submitted to the Board, which:

1. Approves the Loan and the refunding of the 2011 Bonds;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Board or authorized signatory to sign all necessary documents.



Attachment 1

Public Benefit:

Diversity

The School provides educational services to a diverse student body, from toddler age to junior high, and offers an excellent alternative to public education to the residents of Marin County and the surrounding areas. The School attracts students, family and faculty from a variety of ethnic, racial, cultural and socioeconomic backgrounds. Students generally come from families who live in Marin County. The majority of families live in Corte Madera, followed by Mill Valley, Tiburon, San Anselmo, San Rafael and Kentfield. Most recently, van service to San Francisco has been added, immediately bringing in 23 new and diverse families from that area.

Financial Aid

The School is committed to keeping the School accessible to families from a variety of socioeconomic backgrounds. The School's financial aid program provides financial support to families who would otherwise not have access to an independent school education. Over the past five years the percentage of students at the School who receive some amount of aid has grown from 17% to 33%. For the 2014-15 academic year, 78 students received some amount of aid. Total financial aid provided for the year was \$1,076,211. Below is a summary of the School's financial aid history for the past five academic years.

**MARIN MONTESSORI SCHOOL
FINANCIAL AID HISTORY
For the Academic Years 2010-11 through 2014-15**

Academic Year	No. of Students Receiving Financial Aid	Total Enrollment	Percentage of Students	Total Financial Aid Provided
2010-11	61	225	27%	\$754,322
2011-12	64	227	28	898,252
2012-13	71	232	30	901,755
2013-14	61	252	24	936,732
2014-15	74	270	27	1,016,800



Community Service

In addition to activities organized in individual classrooms, the Marin Montessori School community puts together a series of school-wide community service opportunities for students and their families. For the 2014-2015 school year, these included the following:

- *California Coastal Clean Up* (September). This is a great opportunity to help clean up one of the greatest coastal areas in the world, teach children to be stewards of the earth, and meet other families from the School.
- *Thanksgiving Food Drive* (November). Each year, families from the School support the Marin Food Bank with a large donation of non-perishable food. Canned goods and other food items are collected and distributed to people in need throughout the Bay Area during the winter months. Children can get involved in various ways including selecting food products from their home pantry or at the grocery store.
- *Holiday Singing for seniors* (December). Seniors benefit greatly from social activities and interaction with children. This event, held at The Redwoods Senior Community in Mill Valley, gives students a chance to focus on giving to others at a time of year when they may be more focused on receiving. Aside from singing with their parents for an appreciative audience, children get to practice their grace and courtesy skills and to mingle with the seniors.
- *Project Night Blanket Drive* (January). This carline drive collects new blankets for comfort kits for children who have to abandon their homes and belongings. One way that School children take part is by helping select a special blanket to donate and handing it to the volunteer accepting donations.
- *School Supply Drive* (February). After the devastation wrought by Hurricane Katrina, the School adopted an impoverished school in New Orleans that was in critical need of school supplies. This effort continues today, as the school still struggles to meet the basic needs of its students. The School's students and their families can participate in a number of ways, including donating lightly-used puzzles, books, educational toys, and costumes from their shelves and closets.
- *Ring Mountain Invasive Plant Removal* (March). The School teams up with rangers from the Marin County Open Space District and with families from Marin Country Day School to help remove non-indigenous, invasive weeds that are damaging the ecosystem of Ring Mountain. This is a great opportunity for children to learn about the issue of native versus non-native plants and for the School's families to get their hands dirty together for a good cause.

RESOLUTION NO. 15-01A

CALIFORNIA PUBLIC FINANCE AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$8,400,000, FOR THE PURPOSE OF FINANCING OR REFINANCING CAPITAL IMPROVEMENTS TO CERTAIN FACILITIES AND CERTAIN OTHER MATTERS RELATING THERETO, TO BENEFIT MARIN MONTESSORI SCHOOL

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"), Kings County and the Housing Authority of Kings County (the "Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, the Authority is authorized by its Agreement and under the Act to, among other things, issue bonds, notes or other evidences of indebtedness in connection with, and to make loans to assist in the financing of certain projects;

WHEREAS, Marin Montessori School, a California nonprofit corporation (the "Corporation") has requested that the Authority participate in issuing one or more tax-exempt obligations (the "Bonds") in an aggregate principal amount not to exceed \$8,400,000, for the purpose of making a loan to the Corporation to finance or refinance certain capital facilities (the "Project") as more fully described below;

WHEREAS, the Corporation is requesting the assistance of the Authority in financing or refinancing the Project;

WHEREAS, pursuant to an Indenture (the "Indenture") between the Authority and a trustee to be selected by the Corporation (the "Trustee"), the Authority will issue the Bonds for the purpose, among others, of financing or refinancing the Project;

WHEREAS, the Authority and the Corporation will enter into a loan agreement (the "Loan Agreement"), under which the Authority will lend the proceeds of the Bonds to the Corporation to be used to: (1) refinance a bank loan in the original principal amount of \$2,000,000, the proceeds of which financed the acquisition, renovation and improvement of an approximately 2,500 sq. ft. house and 800 sq. ft. cottage located at 5164 Paradise Drive, Corte Madera, California and related costs; (2) refinance a bank loan in the original principal amount of \$6,000,000, the proceeds of which refinanced the California Statewide Communities Development Authority Revenue Bonds (Marin Montessori School) Series 2003, which financed the construction and equipping of two new and two existing buildings and surrounding grounds in order to provide additional classroom facilities, administrative offices, faculty work areas and outdoor teaching facilities, located at 5200 Paradise Drive, Corte Madera, California 94925; (3) finance the costs of construction, renovation, improvements and equipping of facilities and outdoor space located at 5164, 5168 and 5200 Paradise

Drive, Corte Madera, California (collectively, the "Facilities"); and (4) pay various costs of issuance and other related costs with respect to the financing and refinancing;

WHEREAS, the Project is used and operated by the Corporation and is located within the County of Marin;

WHEREAS, pursuant to Section 12 of the Agreement, the Authority may add a qualifying public agency to become a Non-Charter Member upon the filing by such public agency with the Authority of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Authority and adoption of a resolution of the Board of Directors of the Authority (the "Board") approving the addition of such public agency as an Additional Member;

WHEREAS, the County of Marin has filed with the Authority its resolution requesting to be added as an Additional Member and an executed counterpart of the Agreement;

WHEREAS, the Board hereby finds and determines that the County of Marin is qualified to be added as an Additional Member to the Authority;

WHEREAS, the Board of Supervisors of the County of Kings (the "Kings Board of Supervisors") is the elected legislative body of the County of Kings and is the applicable elected representative under Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to Section 147(f) of the Code, the Kings Board of Supervisors has, following notice duly given, held a public hearing regarding the issuance of the Bonds by the Authority, and will approve the issuance of the Bonds by the Authority;

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

Section 1. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue the Bonds in an aggregate principal amount not to exceed \$8,400,000. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Board of Directors of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 15-01C of the Authority, adopted on July 14, 2015 (each, an "Authorized Signatory"), and attested by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of Indenture, as made available to the Board of Directors, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Trustee, dated date, maturity date or dates, interest rate or rates or methods of determining rates, tender provisions, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 3. The proposed form of Loan Agreement, as made available to the Board of Directors, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 5. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, a private placement agreement or bond purchase agreement, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 6. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 7. The addition of the County of Marin as an Additional Member of the Authority is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of the County of Marin is hereby approved, confirmed and ratified.

Section 8. It is the purpose and intent of the Board of Directors that this Resolution constitute approval of the issuance of the Bonds by the Authority for the purpose of Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Authority is located.

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

PASSED AND ADOPTED by the California Public Finance Authority this 15th day of September, 2015, by the following vote:

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on September 15, 2015.

By: _____
Authorized Signatory
California Public Finance Authority