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# Agenda

Tuesday, March 7, 2017

**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 February 14, 2017 regular meeting.
  
3.        **CONSENT CALENDAR**
  - A. Consideration of approving an inducement resolution 17-01I for:
    1. Southeast Senior Housing Preservation, L.P. (Southeast Senior Housing), City of Compton, County of Los Angeles; up to \$15,000,000 of revenue bonds.
  - B. Consideration of approving resolution 17-01M for the addition of program participants to the Authority.
  
4.        **NEW BUSINESS**
  - A. Consideration of approving resolution 17-01A for NCCD – Claremont Properties LLC (The Keck Graduate Institute of Applied Life Sciences), City of Claremont, County of Los Angeles; up to \$60,000,000 of revenue bonds. (Staff – Scott Carper)
  
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.*
  
6.        **STAFF UPDATES**
  
7.        **ADJOURNMENT**

*Adjourn as the California Public Finance Authority.*



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2. **APPROVAL OF MINUTES**

Approval of the minutes from the February 14, 2017 regular meeting.



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## *Action Summary*

Tuesday, February 14, 2017

**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 January 10, 2017 regular meeting.  
**ACTION: APPROVED AS PRESENTED (JN/RF/RV/DV/CP-Aye)**
  
3.    **CONSENT CALENDAR**  
A. Consideration of Invoice Request 17-01IR for US Bank for services as custodian to CalPFA accounts.  
**ACTION: APPROVED AS PRESENTED (JN/DV/RF/JN/RV/CP-Aye)**
  
4.    **NEW BUSINESS**  
A. Consideration of the financing and acquisition of a student housing facility in the City of Turlock. (Staff – Mike LaPierre / Scott Carper)  
**ACTION: APPROVED AS PRESENTED (DV/RF/JN/RV/CP-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.    **STAFF UPDATES**  
None
  
7.    **ADJOURNMENT**  
*The meeting was adjourned at 11:16 a.m.*



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**3. CONSENT CALENDAR**

**A.** Consideration of approving an inducement resolution 17-01I for:

**1.** Southeast Senior Housing Preservation, L.P. (Southeast Senior Housing), City of Compton, County of Los Angeles; up to \$15,000,000 of revenue bonds.

**B.** Consideration of approving resolution 17-01M for the addition of program participants to the Authority.

## RESOLUTION NO. 17-01I

### A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE THE FINANCING OF VARIOUS MULTIFAMILY RENTAL HOUSING PROJECTS AND RELATED ACTIONS

**WHEREAS**, California Public Finance Authority (the "Authority") is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

**WHEREAS**, the borrowers identified in Exhibit A hereto and/or related entities (collectively, the "Borrowers") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction as set forth in Exhibit A, of certain multifamily rental housing developments identified in Exhibit A hereto (collectively, the "Projects"); and

**WHEREAS**, the Authority, in the course of assisting the Borrowers in financing the Projects, expects that the Borrowers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Projects on a long-term basis; and

**WHEREAS**, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing; and

**WHEREAS**, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to each Project set forth in Exhibit A; and

**WHEREAS**, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

**WHEREAS**, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

**WHEREAS**, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

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

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed the amounts set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrowers to undertake the Projects, and nothing contained herein shall be construed to signify that the Projects comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Projects, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

**PASSED AND ADOPTED** by the California Public Finance Authority this 7<sup>th</sup> day of March, 2017.

The undersigned, an Authorized Signatory of the California Public Finance Authority, DOES 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 March 7, 2017.

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

<b>Project Name</b>	<b>Project Location</b>	<b>Project Description (units)</b>	<b>New Construction/ Acquisition and Rehabilitation</b>	<b>Legal Name of initial owner/operator</b>	<b>Bond Amount</b>
Southeast Senior Housing	City of Compton, County of Los Angeles	50	Acquisition and Rehabilitation	Southeast Senior Housing Preservation, LP	\$15,000,000



**RESOLUTION NO. 17-01M**

**RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY APPROVING  
AND RATIFYING THE ADDITION OF PROGRAM PARTICIPANTS TO THE  
AUTHORITY**

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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 entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, pursuant to Section 12 of the Agreement, the Authority may add a qualifying public agency to become a Non-Charter Member (an "Additional 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 approving the addition of such public agency as an Additional Member;

WHEREAS, the Cities and/or Counties listed on Exhibit A hereto (the "City/County") have by resolution requested to join the Authority and the Authority has authorized each such City/County to become an Additional Member pursuant to the provisions of the Agreement;

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

NOW, THEREFORE, BE IT RESOLVED by the Board of the California Public Finance Authority, as follows:

Section 1. This Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The addition of the Cities and/or Counties listed on Exhibit A hereto as Additional Members of the Authority is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of each City/County is hereby approved, confirmed and ratified.

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

PASSED AND ADOPTED by the California Public Finance Authority this 7<sup>th</sup> day of March, 2017.

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 March 7, 2017.

By: \_\_\_\_\_  
Authorized Signatory  
California Public Finance Authority

**EXHIBIT A**

**ADDITION OF CITIES AND/OR COUNTIES AS ADDITIONAL MEMBERS OF THE  
CALIFORNIA PUBLIC FINANCE AUTHORITY**

1. City of Claremont
2. City of Rocklin
3. County of Riverside



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**4. NEW BUSINESS**

**A.** Consideration of approving resolution 17-01A for NCCD – Claremont Properties LLC (The Keck Graduate Institute of Applied Life Sciences), City of Claremont, County of Los Angeles; up to \$60,000,000 of revenue bonds. (Staff – Scott Carper)



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<b>DATE:</b>	MARCH 7, 2017
<b>APPLICANT:</b>	NCCD – CLAREMONT PROPERTIES LLC
<b>AMOUNT:</b>	UP TO \$60 MILLION OF REVENUE BONDS
<b>PURPOSE:</b>	FINANCE THE ACQUISITION, CONSTRUCTION, IMPORVEMENT AND EQUIPPING OF UNIVERSITY STUDENT HOUSING AND CLASSROOM FACILITIES
<b>PRIMARY ACTIVITY:</b>	UNIVERSITY STUDENT HOUSING AND CLASSROOM FACILITIES
<b>LEGAL STRUCTURE:</b>	501(C)(3) CORPORATION

**Background:**

NCCD – Claremont Properties LLC (the “Borrower”) is a California limited liability company formed by, and whose sole member is, National Campus and Community Development Corporation, a Texas nonprofit corporation. The Borrower is proposing to construct and improve facilities on the campus of The Keck Graduate Institute of Applied Life Sciences (“KGI”), located in the City of Claremont, California.

Founded in 1997, KGI is the only American graduate institution devoted solely to bioscience education and discovery. KGI is the seventh and newest member of the Claremont Colleges consortium and represents the consortium’s first entry into graduate-level, application-based scientific research and education. KGI strives to enrich society with breakthrough approaches to education and translational research in the life sciences.

**Description of Proposed Project:**

The Borrower is seeking approximately \$60 million to finance (i) the acquisition, construction, improvement, furnishing and equipping of an approximately 401-bed student, faculty, and staff housing facility, including the buildings, furniture, fixtures, and equipment therefor (together with associated site development and various related amenities and improvements, the “Housing Facility”), an approximately 10,000 square feet of classroom and additional space (the “Classroom Facility”), and parking facilities (the “Parking Facilities” and, together with the Housing Facility and the Classroom Facility, the “Series 2017 Project”) at KGI.

**TEFRA Information:**

A TEFRA hearing was held by the City of Claremont on February 14, 2017 and approved.

A TEFRA hearing will be held by Kings County on March 7, 2017.

**Financing Structure:**

The publically offered bonds will mature in no more than 30-years and will be issued as fixed rate tax-exempt obligations. It is anticipated that the Bonds will be rated BBB- by S&P in minimum denominations of \$5,000. The financing will comply with California Public Finance Authority’s policies for the issuance of publicly offered securities.

**Estimated Sources and Uses:**

Sources:

Tax-Exempt Bond Proceeds	\$	55,000,000
Taxable Bond Proceeds	\$	<u>500,000</u>
Total Sources:	\$	55,500,000

Uses:

Construction or remodel	\$	45,550,000
Cost of Issuance	\$	1,273,335
Equipment Cost	\$	1,150,000
Reserves	\$	3,451,868
Capitalized Interest	\$	<u>4,074,797</u>
Total Uses:	\$	55,500,000

**Recommendations:**

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

1. Approves the issuance of the 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:**

- KGI seeks to sustain an interdisciplinary and entrepreneurial culture, working in partnership with industry to develop leaders for the biosciences, while promoting academic freedom and the highest ethical standards.
- KGI offers seven academic programs in a range of disciplines with foci both in the life sciences industry and in applied life science research.
- Over 500 students attend KGI and will benefit greatly from the addition of new student housing.
- KGI maintains four research centers and new classroom space will improve the ability for students to learn and professors to conduct research.
- With student enrollment projected to reach 600 by fall 2018, the proposed expansion project is expected to help meet the needs of KGI's continued growth.

**RESOLUTION NO. 17-01A**

**CALIFORNIA PUBLIC FINANCE AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN ONE OR MORE SERIES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF UNIVERSITY STUDENT HOUSING, CLASSROOM AND OTHER RELATED FACILITIES AND OTHER MATTERS RELATING THERETO**

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 “Charter Members”) entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Public Finance Authority (the “Authority”) was organized; and

WHEREAS, the City of Claremont (the “City”) has by resolution requested to join the Authority and the Authority has authorized the City to become an Additional Member pursuant to the provisions of the Agreement; and

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 and refinancing of certain projects; and

WHEREAS, NCCD – Claremont Properties LLC (the “Borrower”), a California limited liability company formed by, and whose sole member is, National Campus and Community Development Corporation, a Texas non-profit corporation and an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) (or any successor or assigns thereto), has requested that the Authority participate in the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$60,000,000 (the “Bonds”) for (i) the acquisition, construction, improvement, furnishing and equipping of an approximately 401-bed student, faculty, and staff housing facility, including the buildings, furniture, fixtures, and equipment therefor (together with associated site development and various related amenities and improvements, the “Housing Facility”), an approximately 10,000 square feet of classroom and additional space (the “Classroom Facility”), and parking facilities (the “Parking Facilities” and, together with the Housing Facility and the Classroom Facility, the “Series 2017 Project”) on the campus of The Keck Graduate Institute of Applied Life Sciences (“KGI”) in the City of Claremont, California (the “City”), and (ii) the other purposes described in the Notice of Proposed Financing attached hereto as Exhibit A (the “Notice”); and

WHEREAS, the 2017 Project will be owned in part by the Borrower and in part by KGI and will be located at the addresses described in the attached Notice; and

WHEREAS, pursuant to a Trust Indenture (the “Indenture”), between the Authority and Wilmington Trust, N.A. (the “Trustee”), the Authority will issue one or more series of the Bonds for the purpose, among others, of financing the Series 2017 Project; and



WHEREAS, pursuant to a (the “Loan Agreement”), between the Authority and the Borrower, the Authority will loan the proceeds of the Bonds to the Borrower for the purpose, among others, of financing the Series 2017 Project; and

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Purchase Agreement”), among Raymond James & Associates, Inc., as underwriter (the “Underwriter”), the Authority and the Borrower, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance the Series 2017 Project and to pay costs incurred in connection with the issuance of the Bonds; and

WHEREAS, there have been made available to the Board of Directors of the Authority the following documents and agreements:

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Agreement;
- (4) A proposed form of official statement (the “Official Statement”) to be used by the Underwriter in connection with the offering and sale of the Bonds; and

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

**Section 1.** Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue the Bonds, in one or more series, in an aggregate principal amount not to exceed sixty million dollars (\$60,000,000). 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. 16-01C of the Authority, adopted on January 26, 2016 (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, series designations, dated date, maturity date or dates, interest rate or rates, 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 proposed form of the Purchase 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 Purchase 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 5.** The proposed preliminary form of Official Statement, as made available to the Board of Directors, is hereby approved. The Underwriter is hereby authorized to distribute the Official Statement in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement in final form to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

**Section 6.** 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 7.** 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, 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 8.** 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 9.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City and Kings County, California have each held the hearing pursuant to Section 147(f) of the Code, if required by said Section, to provide financing for the Series 2017 Project and have approved the issuance of the Bonds.

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

PASSED AND ADOPTED by the California Public Finance Authority this 7th day of March, 2017.

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 \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Authorized Signatory  
California Public Finance Authority