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# Agenda

Tuesday, August 6, 2019

**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 July 30, 2019 regular meeting.

3. **CONSENT CALENDAR**

a. Consideration of approving an inducement resolution 19-07I for:

- i. Irvine Inn Affordable Apt, LP (Irvine Inn Apartments), City of Irvine, County of Orange; up to \$32,000,000 in revenue bonds.

4. **NEW BUSINESS**

a. Consideration of approving resolution 19-06A for the Kendal at Sonoma, a Zen Inspired Community, City of Healdsburg, County of Sonoma; up to \$14,000,000 in 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 July 30, 2019 regular meeting.



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# Action Summary

Tuesday, July 30, 2019

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

**Time:** 11:00 a.m.

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1. **CALL TO ORDER**

ROLL CALL – Clerk to the Board  
**ALL MEMBERS PRESENT**

2. **APPROVAL OF MINUTES**

Approval of the minutes from the July 2, 2019 regular meeting.  
**ACTION: APPROVED AS PRESENTED (RF/DV/RV/CP/JN-Aye)**

3. **CONSENT CALENDAR**

- a. Consideration of approving an inducement resolution 19-06I for SB Residential LA, LP (Cecil Residential Apartments), City of Los Angeles, County of Los Angeles; up to \$45,000,000 in revenue bonds.
  - b. Consideration of invoice request 19-05IR for Kings County Notarial Services.
- ACTION: APPROVED AS PRESENTED (RF/DV/RV/CP/JN-Aye)**

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. None*

5. **STAFF UPDATES**

**Scott Carper stated that the next meeting will be held on August 6, 2019**

6. **ADJOURNMENT**

*The meeting was adjourned at 11:03 a.m.*



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3. **CONSENT CALENDAR**

- a. Consideration of approving an inducement resolution 19-071 for:
  - i. Irvine Inn Affordable Apt, LP (Irvine Inn Apartments), City of Irvine, County of Orange; up to \$32,000,000 in revenue bonds

**RESOLUTION NO. 19-07I**

**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 6<sup>th</sup> day of August, 2019.

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 August 6, 2019.

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>
Irvine Inn Apartments	City of Irvine, County of Orange	194	Acquisition and Rehabilitation	Irvine Inn Affordable Apt L.P.	\$32,000,000





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4. **NEW BUSINESS**

- a. Consideration of approving resolution 19-06A for the Kendal at Sonoma, a Zen Inspired Community, City of Healdsburg, County of Sonoma; up to \$14,000,000 in revenue bonds. (Staff – Scott Carper)



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<b>DATE:</b>	AUGUST 6, 2019
<b>APPLICANT:</b>	KENDAL AT SONOMA, A ZEN INSPIRED COMMUNITY
<b>AMOUNT:</b>	UP TO \$14 MILLION OF A TAX-EXEMPT BOND ANTICIPATION LOAN
<b>PURPOSE:</b>	FINANCE AND REFINANCE THE ACQUISITION, DEVELOPMENT, AND CONSTRUCTION OF A SENIOR LIVING FACILITY PROJECT GENERALLY TO BE KNOWN AS ENSO VILLAGE
<b>PRIMARY ACTIVITY:</b>	CONTINUING CARE RETIREMENT COMMUNITY
<b>LEGAL STRUCTURE:</b>	NONPROFIT PUBLIC BENEFIT CORPORATION

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Kendal at Sonoma, a Zen Inspired Community (the “Borrower” or “Enso Village”) is a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code. The Enso Village 501c3 has 2 corporate members, the Kendal Corporation and San Francisco Zen Center. The Borrower is governed by a Board of Directors, with at least one Director appointed by the San Francisco Zen Center and one Director appointed by the Kendal Corporation.

The Borrower will operate a continuing care retirement community in Healdsburg, California, consisting of 200 market-rate independent living apartments, 20 below-market rental independent living apartments to accommodate retired Zen teachers, 30 assisted living apartments and 24 memory care suites.

The Borrower is currently in the pre-development stage and expects to break ground on the community in early 2021. The project will be located at project located at 16977 Healdsburg Avenue, Healdsburg, California.

**Description of Proposed Project:**

The Borrower will use the proceeds of the Series 2019 Bonds to finance and refinance the acquisition, development and construction (the “Project”) of a senior living facility project (as more particularly defined herein, the “Facilities”) to be owned and operated by the Borrower, which Facilities are located in the City of Healdsburg in the County of Sonoma.

The Borrower has requested CalPFA to issue up to \$14,000,000 to assist the Borrower in paying the costs of the Project and paying certain Bond issuance expenses. The Project includes such costs as land and related expenses, professional services, development and administrative, and marketing expenses. The Borrower anticipates contributing approximately \$3,320,000 of equity for the cost of the Project.

**TEFRA Information:**

A TEFRA hearing was held by Kings County and Sonoma County on March 12, 2019 and was approved.

**Financing Structure:**

The Bonds will mature in no more than 3 years and bear interest at an average coupon rate not to exceed 12.00%. The Bonds will be sold through a private placement to one buyer. The proposed financing is in accordance with the Authority's issuance guidelines.

**Estimated Sources and Uses:**

Sources:

Tax-Exempt Bond Proceeds	\$	<u>12,350,000</u>
Total Sources:	\$	12,350,000

Uses:

Refinancing of Taxable Loan	\$	1,000,000
Project Fund	\$	10,850,000
Cost of Issuance	\$	<u>500,000</u>
Total Uses:	\$	12,350,000

**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 issuance of an obligation;
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:**

The public benefits provided by the Enso Village project are numerous. Enso Village will provide senior adults safe and healthy living accommodations that range from independent living, to assisted living and memory care support. Additionally, residents will have access to wellness programs and support services to encourage an active and engaged lifestyle. It is anticipated that Enso Village will employ more than 150 staff members, including 116 full time equivalent employees. Funding of the Bond Anticipation Note will help continue the pre-development process, including an ongoing and successful marketing campaign, with the goal of reaching permanent financing event and commencing construction of the Project in early 2021. The Enso Village project is the culmination of a combined vision between the San Francisco Zen Center and the Kendal Corporation, with goal to expand the mission of both organizations. This includes the operation and advancement of communities, programs, and services that advocate for and empowers older adults to achieve their full potential.

**RESOLUTION NO. 19-06A**

**CALIFORNIA PUBLIC FINANCE AUTHORITY**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF A REVENUE BOND  
ANTICIPATION LOAN IN A PRINCIPAL AMOUNT NOT TO EXCEED  
\$14,000,000 TO FINANCE AND REFINANCE THE ACQUISITION,  
DEVELOPMENT, AND CONSTRUCTION OF A SENIOR LIVING FACILITY  
FOR KENDAL AT SONOMA, A ZEN INSPIRED COMMUNITY 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;

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, Kendal at Sonoma, a Zen Inspired Community, a California nonprofit public benefit corporation (the "Borrower"), wishes to finance and refinance the acquisition, development, and construction of a senior living facility project generally to be known as Enso Village (the "Project"), to be owned and operated by the Borrower and located in the County of Sonoma (the "County");

WHEREAS, the Borrower is requesting the assistance of the Authority in financing and refinancing the Project;

WHEREAS, pursuant to a Loan Agreement (the "Loan Agreement"), among the Authority, the Borrower and New Island Capital Liquid Assets LP (the "Lender"), the Authority will make a tax-exempt bond anticipation loan to the Borrower (the "Borrower Loan") from the proceeds of a loan to the Authority by the Lender (the "Authority Loan" and, together with the Borrower Loan, the "Loans"), and assign to the Lender the Authority's rights to receive payments on the Borrower Loan, for the purpose, among others, of financing and refinancing the Project;

WHEREAS, the Authority Loan will be evidenced by a promissory note issued by the Authority (the "Authority Note") and the Borrower Loan will be evidenced by a promissory note issued by the Borrower (the "Borrower Note" and, together with the Authority Note, the "Notes");

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith estimates from the Borrower and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

WHEREAS, pursuant to the policies of the Authority, the Authority Loan can only be made by, and the rights to receive payments on the Borrower Loan can only be assigned to, a “qualified institutional buyer” as generally defined under Rule 144A of the Securities Act of 1933 or an “accredited investor” as generally defined under Regulation D of the Securities Act of 1933, and the Lender will make representations in the Loan Agreement confirming that it is a “qualified institutional buyer” or an “accredited investor” and certain other matters;

WHEREAS, there have been made available to the Board of Directors of the Authority a proposed form of the Loan Agreement;

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 Loan Agreement, the Authority is hereby authorized to issue its bond anticipation loan designated as the “California Public Finance Authority Bond Anticipation Loan, Series 2019 (Enso Village Project)” in an aggregate principal amount not to exceed fourteen million dollars (\$14,000,000). The Loans shall be issued and secured in accordance with the terms of, and the Notes shall be in the form or forms set forth in, the Loan Agreement. The Authority Note 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. 18-01C of the Authority, adopted on December 4, 2018, or any other resolution of the Authority (each, an “Authorized Signatory”).

**Section 2.** 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 3.** 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 Loans and the Notes, 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 4.** 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 Loans and the Notes are hereby ratified, confirmed and approved.

**Section 5.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the County and Kings County have each held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, to provide financing and refinancing for the Project.

**Section 6.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 6<sup>th</sup> day of August, 2019.

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 and properly noticed regular meeting of the Board of Directors of the Authority, at which a quorum was acting and present throughout, held in accordance with law on August 6, 2019.

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

## EXHIBIT A

### PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the California Public Financing Authority (the "Authority") as conduit financing provider, prior to the Authority's regular meeting (the "Meeting") of its board of directors (the "Board") at which Meeting the Board will consider the authorization of conduit revenue obligations (the "Obligations") as identified below.

1. Name of Borrower: Kendal at Sonoma, a Zen Inspired Community.
2. Authority Meeting Date: August 6, 2019.
3. Name of Obligations: Bond Anticipation Loan, Series 2019.
4.  Private Placement Lender or Bond Purchaser,  Underwriter or  Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
  - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 12.00%.
  - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$650,000.
  - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$11,700,000.
  - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$17,051,233.
5. The good faith estimates provided above were  presented to the governing board of the Borrower, or  presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board,  presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).



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 sale thereof. 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.

Dated: August 6, 2019