



CALIFORNIA PUBLIC FINANCE AUTHORITY

Kings County Government Center
1400 W. Lacey Boulevard
Hanford, California 93230
☎ (559) 852- 2362 FAX (559) 585-8047

Agenda

Tuesday, May 20, 2025

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

Time: 11:00 a.m. or soon thereafter, immediately following the meeting of the Kings County Board of Supervisors

The meeting can be attended on the Internet by clicking this link:

[Join the meeting now](#)

or by sending an email to bosquestions@co.kings.ca.us on the morning of the meeting for an automated email response with the WebEx meeting link information. Members of the public attending via WebEx will have the opportunity to provide public comment during the meeting. Remote WebEx participation for members of the public is provided for convenience only. In the event that the WebEx connection malfunctions or becomes unavailable for any reason, the Board of Supervisors reserves the right to conduct the meeting without remote access. *WebEx will be available for access at 10:55 a.m.*

1. CALL TO ORDER

ROLL CALL – Clerk to the Board

2. APPROVAL OF MINUTES

- a. Approval of the minutes from the April 29, 2025 regular meeting.

3. NEW BUSINESS

- a. Consider approving resolution 25-06A, 9966 I Ave, LLC, City of Hesperia, County of San Bernardino; up to \$22,000,000 in 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. STAFF UPDATES

6. ADJOURNMENT

Adjourn as the California Public Finance Authority.



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Action Summary

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1. CALL TO ORDER

ROLL CALL – Clerk to the Board

JOE NEVES, RUSTY ROBINSON, DOUG VERBOON, ROBERT THAYER – PRESENT

RICHARD VALLE – Absent

2. APPROVAL OF MINUTES

a. Approval of the minutes from the February 25, 2025 regular meeting.

ACTION: APPROVED AS PRESENTED (JN, RT, RR, DV – Aye, RV – Absent)

3. CONSENT

a. Consideration of approving resolution 25-021 for Elk Grove Old Town Mutual Housing Associates, LP, City of Elk Grove, County of Sacramento; up to \$35,000,000 in revenue bonds.

ACTION: APPROVED AS PRESENTED (RR, JN, RT, DV – Aye, RV - Absent)

4. NEW BUSINESS

a. Consider approving resolution 25-05A, PRG-Montezuma Properties LLC, City of San Diego, County of San Diego; up to \$150,000,000 in revenue bonds. (Staff – Scott Carper)

ACTION: APPROVED AS PRESENTED (JN, RR, RT, DV – Aye, RV - Absent)

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

Meeting adjourned at 11:09 a.m.



DATE: MAY 20, 2025

APPLICANT: 9966 I AVE, LLC

AMOUNT: UP TO \$22 MILLION OF TAX-EXEMPT AND TAXABLE BONDS

PURPOSE: FINANCE, REFINANCE AND/OR REIMBURSE THE BORROWER FOR THE COSTS OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF EDUCATIONAL FACILITIES

PRIMARY ACTIVITY: K-8 SCHOOL

LEGAL STRUCTURE: NONPROFIT PUBLIC BENEFIT CORPORATION

9966 I Ave, LLC (the “Borrower”) is a California limited liability corporation, the sole member of which is the LaVerne Elementary Preparatory Academy Foundation, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code. The Borrower will take title to and lease facilities to Ed. Brokers Education Services (the “Lessee”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, who operates the public charter school known as LaVerne Elementary Preparatory Academy (“LEPA”), whose mission is to provide an innovative, classical educational program that will enable its students to learn skills, acquire knowledge, apply wisdom and develop character within a rich, diverse and nurturing learning environment. LEPA is committed to teaching all its scholars to be lifelong learners, exceed expectations, pursue knowledge, and achieve academic excellence.

LEPA currently operates from a campus located at 9966 I Avenue, Hesperia, California 92345. The financing will enable LEPA to expand to an additional campus located at 16955 Lemon Street, Hesperia, California 92345.

Description of Proposed Project:

9966 I Ave, LLC (the “Borrower”), the sole member of which is the LaVerne Elementary Preparatory Academy Foundation, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has requested that the Authority participate in a plan of finance involving the issuance of one or more series of education facility revenue bonds issued from time to time, in an aggregate principal amount not to exceed \$22,000,000 (the “Bonds”) to finance, refinance or reimburse the Borrower the costs of (a) the construction, acquisition, equipping and improving of land and educational related facilities located at 16955 Lemon Street, Hesperia, California 92345 and 9966 I Avenue, Hesperia, California 92345 (collectively, the “Facilities”); (b) paying capitalized interest on the Bonds; (c) funding a debt service reserve fund for the Bonds and related working capital; and (d) paying certain Bond issuance expenses (the “Project”).

TEFRA Information:

A TEFRA hearing was held in the City of Hesperia on May 6, 2025, and is scheduled in Kings County on May 20, 2025.

Financing Structure:

The Bonds will mature in no more than 40 years and bear interest at an average coupon rate not to exceed 10.00%. The Bonds will be sold through a limited offering to qualified institutional buyers or accredited investors. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

Sources:

Tax-Exempt Bond Proceeds	\$	18,047,299
Taxable Bond Proceeds	\$	<u>620,000</u>
Total Sources:	\$	18,667,299

Uses:

Acquisition and Construction	\$	15,327,872
Debt Service Reserve Fund	\$	1,681,077
Cost of Issuance	\$	620,000
Underwriter's Discount	\$	283,875
Capitalized Interest	\$	750,000
Additional Proceeds	\$	<u>4,475</u>
Total Uses:	\$	18,677,299

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 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:

The public benefits provided by the LaVerne Elementary Preparatory Academy project are numerous. Not only will the school increase the permanent employment base in the area by adding new teachers & staff, but the school also offers a strong alternative to public education at no cost to parents. The school will also attract new resident families and/or students with the increased classroom space that will now be available to accommodate more students. The new facilities with a theater, arts and music facilities and a multi-purpose room will increase the capacity for much needed community activities.

RESOLUTION NO. 25-06A

CALIFORNIA PUBLIC FINANCE AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$22,000,000 TO FINANCE OR REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF EDUCATIONAL FACILITIES FOR THE BENEFIT OF 9966 I AVE, LLC, 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 City of Hesperia (the "City") is an Additional Member of the Authority pursuant to the provisions of the Agreement;

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, 9966 I Ave, LLC (the "Borrower"), the sole member of which is the LaVerne Elementary Preparatory Academy Foundation (the "Foundation") a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested the Authority to issue revenue bonds in an aggregate principal amount not to exceed \$22,000,000 (the "Bonds") to finance, refinance or reimburse the Borrower the costs of (a) the construction, acquisition, equipping and improving of land and educational related facilities located at 16955 Lemon Street, Hesperia, California 92345 and 9966 I Avenue, Hesperia, California 92345 (collectively, the "Facilities"); (b) paying capitalized interest on the Bonds; (c) funding a debt service reserve fund for the Bonds and related working capital; and (d) paying certain Bond issuance expenses (the "Project");

WHEREAS, the Facilities will be owned by the Borrower and leased to Ed. Brokers Education Services (the "Lessee"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, for the operation of a public charter school known as LaVerne Elementary Preparatory Academy;

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

WHEREAS, pursuant to a First Supplemental Indenture of Trust (the "First Supplemental Indenture"), supplementing the Indenture of Trust dated as of February 1, 2019, each between the Authority and Zions Bancorporation, National Association (the "Trustee"), the Authority will issue one or more series of its tax-exempt and/or taxable California Public Finance Authority Charter

School Revenue Bonds (LaVerne Elementary Preparatory Academy Project), Series 2025 (the “Bonds”) for the purpose, among others, of financing or refinancing the Project;

WHEREAS, pursuant to a First Amendment to Loan Agreement (the “First Amendment to Loan Agreement”), amending and supplementing the Loan Agreement dated as of February 1, 2019, each 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 or refinancing of the Project;

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 a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Purchase Agreement”), among Herbert J. Sims & Co., Inc., as underwriter (the “Underwriter”), the Authority, the Lessee 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 First Supplemental Indenture to finance or refinance the Project;

WHEREAS, the Bonds will be offered for sale to Qualified Institutional Buyers and Accredited Investors (as defined in the Indenture) through a limited offering memorandum;

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 First Supplemental Indenture;
- (2) A proposed form of the First Amendment to Loan Agreement;
- (3) A proposed form of the Purchase Agreement; and
- (4) A proposed form of limited offering memorandum (the “Limited Offering Memorandum”) to be used by the Underwriter in connection with the offering and sale of the Bonds.

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 its revenue bonds in one or more series of tax-exempt and/or taxable bonds designated as the “California Public Finance Authority Charter School Revenue Bonds (LaVerne Elementary Preparatory Academy Project), Series 2025” in an aggregate principal amount not to exceed Twenty-Two Million Dollars (\$22,000,000). 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. 24-01C of the Authority, adopted on September 10, 2024, or any other delegation resolution of the Authority (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 First Supplemental 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 First Supplemental 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 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 First Supplemental Indenture, as finally executed.

Section 3. The proposed form of First Amendment to 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 First Amendment to 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 Authority is hereby authorized to sell the Bonds to the Underwriter, pursuant to the terms and conditions of the Purchase Agreement. 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 Limited Offering Memorandum, as made available to the Board of Directors, is hereby approved. The Underwriter is hereby authorized to distribute the Limited Offering Memorandum in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Limited Offering Memorandum 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 the County of Kings have held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, to provide financing or refinancing for the Project.

Section 10. The Board of Directors hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the Uniform Electronic Transactions Act (Civil Code section 1633.1 et seq.) and digital signatures as may be permitted under Section 16.5 of the Government Code.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 20th day of May, 2025.

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 May 20, 2025.

By: _____
Authorized Signatory
California Public Finance Authority

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: 9966 I Ave, LLC.
2. Authority Meeting Date: May 20, 2025.
3. Name of Obligations: California Public Finance Authority Charter School Revenue Bonds (LaVerne Elementary Preparatory Academy Project) Series 2025.
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 attached as Schedule A.
5. The good faith estimates attached as 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 (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: May 20, 2025

Schedule 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: 6.50%.

The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$950,000.

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: \$15,327,872.

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): \$57,204,446.