



Agenda

Tuesday, November 26, 2024

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:

<https://countyofkings.webex.com/countyofkings/j.php?MTID=m16d1cba6a34e9c7caab46575ab7efdf9>

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 November 5, 2024 regular meeting.

3. NEW BUSINESS

a. Consider approving resolution 24-08A, for Hazelden Betty Ford Foundation, City of Palm Desert and City of Rancho Mirage, County of Riverside; up to \$45,000,000 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.



ACTION SUMMARY

Tuesday, November 5, 2024

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Kings County Government Center, Hanford, CA

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1. CALL TO ORDER

ROLL CALL – Clerk to the Board

JOE NEVES, DOUG VERBOON, RUSTY ROBINSON, RICHARD FAGUNDES

ABSENT: RICHARD VALLE

2. APPROVAL OF MINUTES

a. Approval of the minutes from the October 22, 2024 regular meeting.

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

3. NEW BUSINESS

a. Consider approving resolution 24-07A, for QSH/MB, LLC, City of Manhattan Beach, County of Los Angeles; up to \$145,000,000 in revenue bonds. (Staff – Scott Carper)

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

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

Next meeting will be held November 26, 2024.

6. ADJOURNMENT

The meeting was adjourned at 11:08 a.m.



**CALIFORNIA
PUBLIC
FINANCE
AUTHORITY**

DATE: NOVEMBER 26, 2024

APPLICANT: HAZELDEN BETTY FORD FOUNDATION

AMOUNT: UP TO \$45 MILLION OF NONPROFIT REVENUE BONDS

PURPOSE: FINANCE OR REIMBURSE THE COSTS OF ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, IMPROVEMENT, FURNISHING, AND/OR EQUIPPING OF SUBSTANCE ABUSE AND MENTAL HEALTH TREATMENT AND RECOVERY FACILITIES TO BE OWNED AND OPERATED BY THE APPLICANT IN RANCHO MIRAGE AND PALM DESERT, CA, AS WELL AS TO PAY COSTS OF ISSUANCE OF THE BONDS AND PAY CAPITALIZED INTEREST, IF ANY, WITH RESPECT TO THE BONDS

PRIMARY ACTIVITY: 501(C)(3) NONPROFIT

Background:

Hazelden Betty Ford Foundation (the “Corporation”) has requested that CalPFA issue revenue bonds to finance or reimburse the costs of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of substance abuse and mental health treatment and recovery facilities to be owned and operated by the applicant in Rancho Mirage and Palm Desert, CA, as well as to pay costs of issuance of the bonds and pay capitalized interest, if any, with respect to the bonds (the “Project”).

Description of Proposed Project:

The Corporation has applied for the financial assistance of CalPFA to finance approximately \$45 million in improvements of the Corporation’s facilities located at (i) 39407 Vista del Sol in the City of Rancho Mirage, including by the construction of an approximately 29,000 square foot patient wing, new auditorium and cafeteria, together with deferred maintenance and routine capital equipment purchases and improvements, including HVAC improvements, existing dining area improvements and an electronic health records system and (ii) 74091, 74085, 74079, 74073, 74067, 74061, 74055, 74049, 74052, 74058, 74064, 74070, 74076, 74082 and 74088 Daisy Lane, in the City of Palm Desert, including by making routine capital improvements.

TEFRA Information:

A TEFRA hearing was held in the City of Rancho Mirage on November 21, 2024.

A TEFRA hearing will be held in the City of Palm Desert on December 12, 2024.

A TEFRA hearing will be held by Kings County on November 26, 2024.

Financing Structure:

The Bonds will be issued, in one or more series pursuant to a plan of finance, as tax-exempt or taxable fixed rate bonds in an aggregate principal amount not to exceed \$45 million. The financing will comply with California Public Finance Authority’s issuance policies.

Estimated Sources and Uses:

Sources:

Bond Proceeds	\$39,550,000
Premium / (Discount)	\$999,450
Total Sources:	\$40,554,450

Uses:

Project Fund	\$39,763,931
Cost of Issuance	<u>\$790,519</u>
Total Uses:	\$40,554,450

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.

RESOLUTION NO. 24-08A

CALIFORNIA PUBLIC FINANCE AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000 TO FINANCE THE COSTS OF IMPROVEMENTS TO FACILITIES OF HAZELDEN BETTY FORD FOUNDATION 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 Rancho Mirage, California ("Rancho Mirage"), has by resolution requested to join the Authority and the Authority has authorized Rancho Mirage to become an Additional Member pursuant to the provisions of the Agreement; and

WHEREAS, the City of Palm Desert, California ("Palm Desert" and Rancho Mirage, each, a "Host Jurisdiction"), has by resolution requested to join the Authority and the Authority has authorized Palm Desert 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 of certain projects; and

WHEREAS, the Hazelden Betty Ford Foundation (the "Corporation"), a Minnesota nonprofit corporation and an organization described under section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), wishes to (a) finance the improvement of the Corporation's facilities located at (i) 39407 Vista del Sol, Rancho Mirage, California, including by the construction of an approximately 29,000 square foot patient wing, new auditorium and cafeteria, together with deferred maintenance and routine capital equipment purchases and improvements, including HVAC improvements, existing dining area improvements and an electronic health records system and related technology and software; and (ii) 74091, 74085, 74079, 74073, 74067, 74061, 74055, 74049, 74052, 74058, 74064, 74070, 74076, 74082 and 74088 Daisy Lane, Palm Desert, California, consisting of routine capital improvements (the "Palm Desert Project"); (b) pay capitalized interest, if any, on the Bonds (as hereinafter defined); and (c) pay issuance costs of the Bonds ((a) through (c) are collectively referred to herein as the "Project"); and the Corporation is requesting the assistance of the Authority in financing the Project; and

WHEREAS, the issuance of the Bonds was approved or is anticipated to be approved (i) by the appropriate elected officials of Rancho Mirage and Palm Desert on November 21, 2024 and

December 12, 2024, respectively, and (ii) on behalf of the Authority by the Board of Supervisors of Kings County, on November 26, 2024, in each case after appropriate notice and a hearing as required by Section 147(f) of the Code and the Authority has requested satisfactory evidence of such approvals; and

WHEREAS, pursuant to an Indenture of Trust to be dated on or after December 1, 2024 (the “Indenture”) between the Authority and U.S. Bank Trust Company, National Association (the “Trustee”), the Authority will issue its Health Care Facilities Revenue Bonds, Series 2024 (Hazelden Betty Ford Foundation Project) (the “Bonds”) for the purpose of, among others things, financing the Project; and

WHEREAS, pursuant to a Loan Agreement to be dated on or after December 1, 2024 (the “Loan Agreement”), by and between the Authority and the Corporation, the Authority will loan the proceeds of the Bonds to the Corporation for the purpose of, among others, financing the Project; and

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of the purchase of the Bonds (the “Bond Purchase Agreement”), by and among B.C. Ziegler and Company, as initial purchaser of the Bonds (the “Underwriter”), the Authority and the Corporation, 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 Project; 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 (including the proposed form of Bonds);
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Bond Purchase Agreement; and
- (4) A proposed form of the Preliminary Offering Statement to be used by the Underwriter in connection with the offering and sale of the Bonds (the “Offering Document”); and

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 Corporation and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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 designated as the “California Public Finance Authority Health Care Facilities Revenue Bonds, Series 2025 (Hazelden Betty Ford Foundation Project)” in an aggregate principal amount not to exceed \$45,000,000. 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. 21-01C of the Authority, adopted on August 31, 2021, 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 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, 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 Bond 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 Bond 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 form of the Offering Document, as made available to the Board of Directors, is hereby approved. The Underwriter is hereby authorized to distribute the Offering Document, in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Offering Document, in final form, in substantially the form of the preliminary Offering Document, to the purchasers of the Bonds.

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 each Host Jurisdiction 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 for the Project.

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

PASSED AND ADOPTED by the California Public Finance Authority this 26th day of November, 2024.

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 November 26, 2024.

By: _____
Authorized Signatory
California Public Finance Authority

EXHIBIT A

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

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: Hazelden Betty Ford Foundation.
2. Authority Meeting Date: November 26, 2024.
3. Name of Obligations: Health Care Facilities Revenue Bonds, Series 2024.
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 / attached as Schedule A]:
 - [(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): 4.8270%.
 - [(B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$810,000.
 - [(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: \$40,555,000.
 - [(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): \$92,165,000.]
5. The good faith estimates [provided above / 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: November 12, 2024