



**CALIFORNIA
PUBLIC
FINANCE
AUTHORITY**

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

Agenda

Tuesday, November 8, 2022

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 telephonically or by the Internet by clicking this link:

<https://countyofkings.webex.com/countyofkings/j.php?MTID=m9beb77315012968480fd0a9a92a0b078>

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 information. Members of the public attending via WebEx will have the opportunity to provide public comment during the meeting.

Members of the public who wish to comment may submit written comments on any matter within the Board's subject matter jurisdiction, regardless of whether it is on the agenda for the Board's consideration or action, and those comments will become part of the administrative record of the meeting. Comments will not be read into the record, only the names of who have submitted comments will be read into the record. Written comments received by the Clerk of the Board of Supervisors no later than 8:30 a.m. on the morning of the noticed meeting will be included in the record, those comments received after 8:30 a.m. will become part of the record of the next meeting. To submit written comments by email, please forward them to bosquestions@co.kings.ca.us or by U.S. Mail, please forward them to: Clerk of the Board of Supervisors, County of Kings, 1400 W. Lacey Blvd., Hanford, CA 93230.

1. CALL TO ORDER

ROLL CALL – Clerk to the Board

2. APPROVAL OF MINUTES

Approval of the minutes from the November 1, 2022 regular meeting.

3. NEW BUSINESS

- a. Consider approving resolution 22-08A for Pathways to College Properties, LLC, City of Hesperia, County of San Bernardino, California; up to \$25,000,000 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 1, 2022

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Kings County Government Center, Hanford, CA

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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 August 23, 2022 regular meeting.

ACTION: APPROVED AS PRESENTED (DV, CP, RV, JN-Aye, RF-Abstain)

3. **NEW BUSINESS**

- a. Consider approving resolution 22-07A for The Aspire, LP, City of Riverside, County of Riverside, California; up to \$20,000,000 in revenue bonds. (Staff – Caitlin Lanctot)

ACTION: APPROVED AS PRESENTED (DV, RF, 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

None

6. ADJOURNMENT

The meeting was adjourned at 11:04 a.m.



CALIFORNIA PUBLIC FINANCE AUTHORITY

DATE:	NOVEMBER 8, 2022
APPLICANT:	PATHWAYS TO COLLEGE FACILITIES, LLC/PATHWAYS TO COLLEGE CHARTER SCHOOL
AMOUNT:	UP TO \$25 MILLION OF TAX-EXEMPT BONDS
PURPOSE:	CONSTRUCTION OF NEW FACILITY AND FINANCING CAPITAL IMPROVEMENTS
PRIMARY ACTIVITY:	K-8 SCHOOL
LEGAL STRUCTURE:	NONPROFIT PUBLIC BENEFIT CORPORATION

Background:

Crosswalk: Hesperia Experiential Learning Pathways (the “Lessee”) is a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code. The Lessee operates a public charter school known as Pathways to College Charter School (the “School”) pursuant to a charter authorized and approved by the Hesperia Unified School District.

The School teaches students residing primarily in San Bernardino County, California, and draws students primarily from the Hesperia Unified School District. The School began operations in the 2002-2003 school year with approximately 50 students in grades 7-8. As of October 2022, the School serves approximately 373 students in grades K-8 from a campus located at 9144 Third Ave., Hesperia.

Pathways to College has a student population that consists of 89% free and reduced lunch, 26% English Language Learners, and 11% Special Education. Many students initially come to Pathways to College from district schools and other charter schools significantly below grade level. The Pathways to College model of Professional Learning Communities increases individual student learning across subpopulation groups with a focus on developing problem solving and critical thinking skills.

The School will continue to operate and serve students in grades K-8 from the Third Ave. campus in the 2021-2022 school year. The School will move to the new school site on the northwest corner of Hesperia Ave and Hercules Road, Hesperia, California in the 2023-2024 school year. The new location is as yet unaddressed.

Description of Proposed Project:

Pathways to College Properties, LLC has submitted an application to the Authority for the financing of a charter school project, known as Pathways to College Charter School, through the issuance of tax-exempt revenue bonds in an aggregate principal amount not to exceed \$25 million. The proposed Project as tentatively planned will consist of 55,952 square feet of building area, which includes approximately 50,000 square feet of classrooms and educational programming space and 5,952 square feet of administrative office and student services space. The school at opening will accommodate 500 students with a long-range capacity for 700. The school will develop approximately 12.884

acres of the 21.515 acre and the development will also include a soccer field, turf playing field, and a playground area with sport courts and two basketball courts, as well as playground equipment. Upon completion of the construction of the Hercules Road/Hesperia Ave facility, the school expects to serve students in grades K-8 at the Mariposa Road location, allowing the School to expand to serve a total of approximately 700 total students.

The school has requested CalPFA to issue up to \$25,000,000 in tax-exempt bonds to pay for the costs of purchasing vacant land, constructing a new school facility and equipping the new school facility.

TEFRA Information:

A TEFRA hearing will held by the County of San Bernardino in December 2022. Kings County will hold a TEFRA hearing on November 8, 2022.

Financing Structure:

The Bonds will mature in no more than 30 years and bear interest at an average coupon rate of 6.00%. The Bonds will be purchased at closing by the Underwriter. The proposed financing is in accordance with the Authority's issuance guidelines.

Estimated Sources and Uses:

SOURCES AND USES OF FUNDS			
Pathways to College K-8 Series 2022 Bonds			
<i>Sources:</i>	<i>Series A Tax-Exempt Bonds</i>	<i>Series B Taxable Bonds</i>	<i>Total</i>
Bond Proceeds:			
Par Amount	21,890,000.00	230,000.00	22,120,000.00
	<u>21,890,000.00</u>	<u>230,000.00</u>	<u>22,120,000.00</u>
<i>Uses:</i>	<i>Series A Tax-Exempt Bonds</i>	<i>Series B Taxable Bonds</i>	<i>Total</i>
Project Fund Deposits:			
Property Acquisition & Bridge Loan	1,450,000.00		1,450,000.00
Preconstruction Costs	225,713.00		225,713.00
Construction Costs	17,000,000.00		17,000,000.00
	<u>18,675,713.00</u>		<u>18,675,713.00</u>
Other Fund Deposits:			
Debt Service Reserve Fund	1,496,284.68	15,721.58	1,512,006.26
Capitalized Interest Fund	1,276,922.42	13,416.73	1,290,339.15
	<u>2,773,207.10</u>	<u>29,138.31</u>	<u>2,802,345.41</u>
Delivery Date Expenses:			
Cost of Issuance	308,783.42	141,216.58	450,000.00
Underwriter's Discount	129,016.58	59,003.42	188,020.00
	<u>437,800.00</u>	<u>200,220.00</u>	<u>638,020.00</u>
Other Uses of Funds:			
Additional Proceeds	3,279.90	641.69	3,921.59
	<u>21,890,000.00</u>	<u>230,000.00</u>	<u>22,120,000.00</u>

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:

In 2002 Crosswalk: Hesperia Experiential Learning Pathways formed as a 501(c)3 not for profit corporation. A school comprised of 7th and 8th graders was begun, with the intention of adding two grade levels, one up and one down, each year until it became a K-12 school. At the time, the only facility that could be located within Hesperia city limits, that could function for the purpose of housing a school, was a building once used as a restaurant, bar, and a theater. Within two years the student population outgrew the limited space provided within this building and students were split between two buildings over 6 miles away from each other. Students were separated by grade levels. In 2006 the school opened a third location to accommodate the continuous student population growth. In 2009 the Board decided to focus its efforts on students between grade levels K-8 by reorganizing the school and relocating all of the students to the current location on 3rd street. The current population is approximately 350 students and has remained consistent for the past several years, despite the fact that there is a large waiting list of students waiting to enroll, due to space limitations which further restricts growth.

With the exception of four Middle School classrooms, the majority of the current population is housed in rooms smaller than standard size, which is 960 square feet. The remaining 15 classrooms range from 360 square feet to 805 square feet. The school has no play equipment or grass area for students to have recreational play or to hold Physical Education courses. Students ranging from Transitional Kindergarten to Middle School must conduct recreational and structured play time in a shared, fenced-in asphalt area and share this area throughout the day with the Physical Education class.

This project will allow Pathways to College students the opportunity to learn and grow in a new facility with proper educational areas and play/recreation areas.

RESOLUTION NO. 22-08A

CALIFORNIA PUBLIC FINANCE AUTHORITY

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS
IN A PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 TO FINANCE
OR REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND
EQUIPPING OF EDUCATIONAL FACILITIES FOR THE BENEFIT OF PATHWAYS
TO COLLEGE PROPERTIES, LLC AND CROSSWALK: HESPERIA EXPERIENTIAL
LEARNING PATHWAYS 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 County of San Bernardino, California (“San Bernardino County”) is an Additional Member 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, Pathways to College Properties, LLC (the “Borrower”), the sole member of which is Pathways to College Foundation, Inc. (the “Foundation”), a California nonprofit public benefit corporation, has requested the Authority to issue revenue bonds in an aggregate principal amount not to exceed \$25,000,000 (the “Bonds”) to finance or refinance the costs of: (a) the construction, acquisition, equipping and improving of land and educational facilities located at Hercules Rd. and Hesperia St. in the City of Hesperia, California 92345, APN 0414-212-08 and APN 0414-212-09 (the “Facilities”); (b) funding a debt service reserve fund for the Bonds; (c) paying capitalized interest on the Bonds; and (d) paying certain Bond issuance expenses (collectively, the “Project”);

WHEREAS, the Facilities will be owned by the Borrower and leased to and operated by Crosswalk: Hesperia Experiential Learning Pathways (the “Lessee”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code;

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

WHEREAS, pursuant to an Indenture of Trust (the “Indenture”), between the Authority and UMB Bank, N.A. (the “Trustee”), the Authority will issue the California Public Finance Authority Charter School Lease Revenue Bonds (Pathways to College Project), Series 2022 (the “Bonds”) for the purpose, among others, of financing or refinancing the Project;

WHEREAS, pursuant to a Loan Agreement (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 or refinancing of the Project;

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Purchase Agreement”), among HJ 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 Indenture to finance or refinance the Project;

WHEREAS, the Bonds will be offered for sale to Qualified Institutional Buyers, as described in Rule 144A of the Securities Act of 1933, as amended, or Accredited Investors, as described in Regulation D of the Securities Act of 1933, as amended, 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 Indenture;
- (2) A proposed form of the 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.

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 Charter School Lease Revenue Bonds (Pathways to College Project), Series 2022” in an aggregate principal amount not to exceed twenty-five million dollars (\$25,000,000). 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 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 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 San Bernardino County and the County of Kings 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 or refinancing 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 8th day of November, 2022.

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 8, 2022.

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: Pathways to College Properties, LLC.
2. Authority Meeting Date: November 8, 2022.
3. Name of Obligations:
CALIFORNIA PUBLIC FINANCE AUTHORITY
CHARTER SCHOOL LEASE REVENUE BONDS
(PATHWAYS TO COLLEGE PROJECT)
TAX-EXEMPT SERIES 2022A & TAXABLE SERIES 2022B
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): 6.6514%.
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$662,670.
 - (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: \$20,578,450.
 - (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): \$65,507,678.98.
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: November 3, 2022