



Agenda

Tuesday, October 22, 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=mdc396d114c902e22062ec70b0e9fe224>

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 September 10, 2024 regular meeting.

3. NEW BUSINESS

a. Consider approving resolution 24-06A, for P3 Irvine SL Holdings, LLC, City of Irvine, County of Orange; up to \$510,000,000 in revenue bonds. (Staff – Caitlin Lanctot)

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, September 10, 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

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1. **CALL TO ORDER**

ROLL CALL – Clerk to the Board

PRESENT: JOE NEVES, RICHARD VALLE, RUSTY ROBINSON, RICHARD FAGUNDES

ABSENT: DOUG VERBOON

2. **APPROVAL OF MINUTES**

a. Approval of the minutes from the August 6, 2024 regular meeting.

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

3. **CONSENT**

a. Consider approving delegation resolution 24-01C updating Authorized Signatories for the Authority.

ACTION: APPROVED AS PRESENTED (JN, RF, RV, RR-Aye, DV-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**

None

6. **ADJOURNMENT**

The meeting was adjourned at 11:34 a.m.



CALIFORNIA
PUBLIC
FINANCE
AUTHORITY

DATE: OCTOBER 22, 2024

APPLICANT: P3 IRVINE SL HOLDINGS, LLC

AMOUNT: UP TO \$510 MILLION OF NONPROFIT REVENUE BONDS

PURPOSE: FINANCE OR REIMBURSE THE COSTS OF ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, IMPROVEMENT, FURNISHING, AND/OR EQUIPPING OF A RENTAL SENIOR LIVING COMMUNITY TO BE OWNED AND OPERATED BY THE APPLICANT IN IRVINE, CA, AS WELL AS TO PAY COSTS OF ISSUANCE OF THE BONDS, PAY CAPITALIZED INTEREST, FUND ONE OR MORE DEBT SERVICE RESERVES WITH RESPECT TO THE BONDS, AND TO FUND RELATED WORKING CAPITAL COSTS

PRIMARY ACTIVITY: 501(C)(3) NONPROFIT

Background:

P3 Irvine SL Holdings, LLC (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 a rental senior living community to be owned and operated by the applicant in Irvine, CA, as well as to pay costs of issuance of the bonds, pay capitalized interest, fund one or more debt service reserves with respect to the bonds, and to fund related working capital costs (the “Project”).

The Corporation is the sole member or sole shareholder of Sharp Memorial Hospital, Sharp Chula Vista Medical Center and Grossmont Hospital Corporation, which together constitute an integrated health care delivery system known as Sharp HealthCare.

Description of Proposed Project:

The Corporation has applied for the financial assistance of CalPFA to finance approximately \$466 million in capital improvements at the senior living facilities to be known as The James, to be located at 1001-2001 Gates Avenue, Irvine, California 92606 (the “Community”). The Community will consist of 210 independent living units, 110 assisted living units, and 30 memory care units in an 8-story building. It will also include extensive amenity space, including multiple dining venues, bar and lounge areas, a spa, a wellness gym, two theatres, an art studio and two outdoor courtyards. Programs will be offered to provide residential and health care services for its senior residents.

TEFRA Information:

A TEFRA hearing will be held in the City of Irvine on October 22, 2024.

A TEFRA hearing will be held by Kings County on October 22, 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, or capital appreciation bonds in an aggregate principal amount not to exceed \$510 million. The financing will comply with California Public Finance Authority’s issuance policies.

At the request of the Corporation, CalPFA may issue one of the series of bonds with a draw down feature, with the balance of the bonds drawn within 3 years of the initial closing.

Estimated Sources and Uses:

Sources:

Tax-Exempt Senior Bond Proceeds	\$435,075,000
Premium / (Discount)	\$(4,591,579)
Taxable Senior Bond Proceeds	\$12,840,000
Tax-Exempt Subordinate Bond Proceeds	<u>\$18,000,000</u>
Total Sources:	\$461,323,420

Uses:

Project Fund	\$339,302,019
Working Capital Fund	\$17,500,000
Capitalized Interest Fund	\$61,367,907
Debt Service Reserve Fund	\$33,727,270
Cost of Issuance	<u>\$9,426,225</u>
Total Uses:	\$461,323,420

Recommendations:

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

1. Approves the issuance of the Bonds;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Board or authorized signatory to sign all necessary documents.

Attachment 1

Public Benefit:

Lack of Options for Local Seniors

The senior population in the state of California and the market area surrounding the project includes a substantial and growing number of households. The facility will be located in Irvine, CA, which has not had a new entrant providing senior living services in over 20 years. There has also been limited development in the surrounding municipalities in the recent past.

Healthcare Availability

Providing the framework for residents to age in place is an important goal of the community. All of the units will be licensed as Residential Care Facilities for the Elderly (RCFE). This flexibility will allow the community to provide assistance and/or care within the resident's independent living unit, if desired. In addition, under the residency agreements, residents of the project will have priority access to the assisted living and memory care areas of The James.

Local Community Involvement

As a non-profit organization, the applicant understands the importance of engaging with the broader local community. As the community stabilizes, the applicant expects to actively seek out opportunities to support the Irvine community in ways complementary to its mission of serving seniors.

RESOLUTION NO. 24-06A

CALIFORNIA PUBLIC FINANCE AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$510,000,000 TO FINANCE OR REIMBURSE THE COSTS OF ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, IMPROVEMENT, FURNISHING, AND/OR EQUIPPING OF A RENTAL SENIOR LIVING COMMUNITY GENERALLY KNOWN AS THE JAMES FOR P3 IRVINE SL HOLDINGS, 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 Irvine (the “City”) has by resolution requested to join the Authority and the Authority has authorized the City of Irvine to become 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, P3 Irvine SL Holdings, LLC (the “Borrower”), the sole member of which is P3 Foundation, Inc., an organization described in Section 501(c)(3) of the Code, has requested that the Authority issue tax exempt and/or taxable revenue bonds to (1) finance or reimburse the costs of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of a rental senior living community to be owned and operated by the Borrower and located in the City; (2) pay certain expenses incurred in connection with the issuance of the Bonds; (3) pay capitalized interest on the Bonds; (4) fund one or more debt service reserves with respect to the Bonds; and (5) fund related working capital costs (collectively, the “Project”);

WHEREAS, the Authority is willing to issue not to exceed \$510,000,000 aggregate initial principal amount of its California Public Finance Authority Senior Living Revenue Bonds (The James Project), Senior Series 2024 (the “Senior Bonds”) and its California Public Finance Authority Senior Living Revenue Bonds (The James Project), Subordinate Series 2024 (the “Subordinate Bonds” and, together with the Senior Bonds, the “Bonds”), each in one or more series, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project;

WHEREAS, pursuant to one or more Indentures of Trust (collectively, the “Senior Bond Indenture”), between the Authority and Wilmington Trust, National Association (the “Bond Trustee”), the Authority will issue the Senior Bonds, and pursuant

to one or more separate Indentures of Trust (Subordinate Series) (collectively, the “Subordinate Bond Indenture”), between the Authority and the Bond Trustee, the Authority will issue the Subordinate Bonds, each in one or more series or sub-series, as tax exempt and/or taxable obligations, for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to one or more Loan Agreements (collectively, the “Senior Loan Agreement”), between the Authority and the Borrower, the Authority will loan the proceeds of the Senior Bonds to the Borrower, pursuant to one or more Loan Agreements (Subordinate Series) (collectively, the “Subordinate Loan Agreement”), between the Authority and the Authority will loan the proceeds of the Subordinate Bonds to the Borrower, each for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to one or more Bond Purchase Contracts (together with the Letter of Representation and Indemnification of the Borrower attached thereto), to be dated the date of sale of the Senior Bonds (collectively, the “Purchase Contract”), between Herbert J. Sims & Co. Inc., as underwriter (the “Underwriter”) and the Authority, as approved by the Borrower, the Senior Bonds will be sold to the Underwriter;

WHEREAS, pursuant to one or more Placement Agent Agreements, to be dated the date of placement of the Subordinate Bonds (collectively, the “Placement Agreement”), between Herbert J. Sims & Co. Inc., as placement agent (the “Placement Agent”) and the Authority, as approved by the Borrower, the Subordinate Bonds will be placed with SBLP Senior Living Fund I, LP and Harbert South Bay Partners, LLC, or their affiliates, as purchasers (the “Subordinate Purchasers”);

WHEREAS, the Senior Bonds will be offered for sale to, and the Subordinate Purchasers shall constitute, Qualified Institutional Buyers, as described in Rule 144A of the Securities Act of 1933, as amended (the “Securities Act”) and Accredited Investors (as described in Regulation D of the Securities Act);

WHEREAS, there have been prepared and made available to the Commissioners the following documents required for the issuance of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

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

- (6) Proposed form of the Subordinate Loan Agreement;
- (7) A proposed form of the Placement Agreement;

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;

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

Section 1. Pursuant to the Act, the Senior Bond Indenture, and the Subordinate Bond Indenture, as applicable, the Authority is hereby authorized to issue its revenue bonds designated as the “California Public Finance Authority Senior Living Revenue Bonds (The James Project), [Senior/Subordinate] Series 2024” in an aggregate principal amount (exclusive of accreted interest) not to exceed five hundred ten million dollars (\$510,000,000), from time to time, in one or more series or sub-series, as federally tax-exempt bonds or federally taxable bonds, with such other name or names of the Bonds or series or sub-series thereof as designated in the Senior Bond Indenture or Subordinate Bond Indenture, as applicable, pursuant to which the Bonds will be issued. 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 Senior Bond Indenture or Subordinate Bond Indenture, as applicable. 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 any 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 Senior Bond 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 one or more Senior Bond Indentures in substantially said forms, 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 Senior Bonds shall be as provided in each Senior Bond Indenture, as finally executed.

Section 3. The proposed form of Senior 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 one or more Senior Loan Agreements in substantially said forms, 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 Senior Bonds to the Underwriter, pursuant to the terms and conditions of the Purchase Contract. The proposed form of the Purchase Contract, 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 one or more Purchase Contracts 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 Official Statement, as made available to the Board of Directors, is hereby approved. The Underwriter is hereby authorized to distribute one or more Official Statements in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statements in final form, in substantially the form of the preliminary Official Statements, to the purchasers of the Bonds.

Section 6. The proposed form of Subordinate Bond 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 one or more Subordinate Bond Indentures in substantially said forms, 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 Subordinate Bonds shall be as provided in each Subordinate Bond Indenture, as finally executed.

Section 7. The proposed form of Subordinate 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 one or more Subordinate Loan Agreements in substantially said forms, 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 8. The Authority is hereby authorized to place the Subordinate Bonds with the Purchasers pursuant to the terms and conditions of the Placement Agreement. The proposed form of Placement 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 one or more Placement Agreements in substantially said forms, 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 9. 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 10. 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 11. 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 12. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the City and Kings County 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 13. 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 14. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 22nd day of October, 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 October 22, 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: P3 Irvine SL Holdings, LLC .
2. Authority Meeting Date: October 22, 2024.
3. Name of Obligations: California Public Finance Authority Senior Living Revenue Bonds (The James Project), Senior Series 2024 and California Public Finance Authority Senior Living Revenue Bonds (The James Project), Subordinate 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 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: October 22, 2024

Schedule A

California Public Finance Authority Senior Living Revenue Bonds (The James Project), Senior Series 2024:

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): 6.3546 %.

The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$ 9,488,569.

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: \$ 336,922,955.

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): \$ 1,065,919,766.

California Public Finance Authority Senior Living Revenue Bonds (The James Project), Subordinate Series 2024:

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): 7.8462 %.

The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$ 275,000.

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: \$ 17,725,000.

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): \$ 35,549,746.79.