

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
9.3
(ID # 4761)

MEETING DATE:

Tuesday, July 25, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Public Hearing for Resolution No. 2017-144, Approving the Issuance by the California Municipal Finance Authority of Private Activity Bonds for the benefit of Retirement Housing Foundation Group, District 5, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing with the Board of Supervisors per Section 147 (f) of the Internal Revenue Code of 1986;
2. Adopt Resolution No. 2017-144, approving the issuance by the California Municipal Finance Authority of private activity bonds for the rehabilitation, refinancing, and funding a debt service reserve fund for housing facilities owned by Sun City FHF Housing, Inc.;
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2017-144, including but not limited to, signing subsequent essential and relevant documents.

ACTION: Policy


Robert Field, Assistant County Executive Officer/EDA

7/5/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: July 25, 2017
xc: EDA

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	17/18

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Board of Supervisors of the County of Riverside (County) is asked to adopt a resolution which would approve the issuance of private activity bonds by the California Municipal Finance Authority (the Authority) for the purpose of rehabilitation, refinancing, and funding a debt service reserve fund for housing facilities in the State of California, including facilities owned by Sun City RHF Housing, Inc.. Sun City RHF Housing, Inc., a nonprofit public benefit corporation, owns and operates facilities with 17 memory support units, 127 residential apartments, and 48 assisted living units, together known as Sun City Gardens (the Facilities), located within the County. The sole corporate member of Sun City RHF Housing, Inc. is Retirement Housing Foundation, a California nonprofit public benefit corporation (RHF). RHF and its affiliates have requested that the Authority participate in the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$37,000,000 (the Bonds) the proceeds of which will be used to: (1) refinance the California Statewide Communities Development Authority Revenue Bonds (Retirement Housing Foundation Obligated Group), Series 2014A, (2) finance or reimburse the costs of constructing, renovating, remodeling and/or equipping long-term care facilities located on certain RHF campuses, including the Facilities, in an amount not to exceed \$7,000,000, (3) fund a debt service reserve fund to secure the Bonds and (4) pay certain expenses incurred in connection with the issuance of the Bonds.

The Internal Revenue Code of 1986 (the Code) requires that the "applicable elected representatives" of the jurisdiction in which a project is to be financed with "private activity bonds" is situated, adopt a resolution approving the issuance of such "private activity bonds" after a public hearing has been held which has been noticed in a newspaper of general circulation in such jurisdiction. On July 25, 2017 the Board of Supervisors of the County of Riverside will hold such public hearing which was noticed as required by the Code. The proposed resolution will act as the approval by the "applicable elected representatives" with respect to the proposed project.

The County will not be a party to the financing documents. As set forth in the Joint Exercise of Powers Agreement (JPA) of the Authority, dated January 1, 2004 [(BOS 10/16/2007, Item 3.48)], the debt will not be secured by any form of taxation, or by any obligation of either the County or the Authority. Neither would the debt represent or constitute a general obligation of

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STATE OF CALIFORNIA**

either the County or the Authority. Pursuant to the governing California statutes and the JPA Agreement, a member or associate member of the Authority is not responsible for the repayment of obligations incurred by the Authority. The debt would be payable solely from amount received pursuant to the terms and provisions of financing agreements to be executed by RHF or one or more affiliates

The County's membership in the Authority bears with it no cost or other financing obligation, but serves as a public acknowledgment by the host jurisdiction of the project financing.

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No 2017-144.

Impact on Residents and Businesses

The issuance of the bond will provide RHF and its affiliates with the funding needed to continue managing much needed quality senior living options for the community living in the County of Riverside.

SUPPLEMENTAL:

Additional Fiscal Information

RHF has paid the County of Riverside \$6,500 to cover the costs of preparing all necessary documents required to conduct the public hearing for the approval of the issuance of private activity bonds through the California Municipal Finance Authority.

Attachments:

Resolution No. 2017-144

Public Notice

RF:HM:JV:JA:JG

13630

MT4761


Rohini Dasika, Principal Management Analyst

7/17/2017


Gregory F. Priamos, Director County Counsel

7/10/2017

RESOLUTION NO. 2017-144

RESOLUTION OF THE BOARD OF SUPERVISORS FOR THE COUNTY OF RIVERSIDE
APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE
AUTHORITY REVENUE BONDS (RETIREMENT HOUSING FOUNDATION OBLIGATED
GROUP) SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$37,000,000; APPROVING THE TEFRA HEARING RELATED TO THE ISSUANCE OF
THE BONDS.

WHEREAS, Bixby Knolls Towers, Inc., Gold Country Health Center, Inc., Mayflower RHF Housing, Inc., Mayflower Gardens Health Facility, Inc. and Sun City RHF Housing, Inc. (collectively, the "Borrowers"), each a nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), have requested that the California Municipal Finance Authority (the "Authority") participate in the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$37,000,000 (the "Bonds") the proceeds of which will be used to: (1) current refund the California Statewide Communities Development Authority Revenue Bonds (Retirement Housing Foundation Obligated Group), Series 2014A, (2) finance or reimburse the costs of constructing, renovating, remodeling and/or equipping long-term care facilities located on the Borrower's campuses in an amount not to exceed \$7,000,000, (3) fund a debt service reserve fund to secure the Bonds and (4) pay certain expenses incurred in connection with the issuance of the Bonds; and

WHEREAS, Sun City RHF Housing, Inc. owns and operates facilities with 17 memory support units, 127 residential apartments, and 48 assisted living units, together known as Sun City Gardens (the "Facilities"), located within the County of Riverside (the "County"); and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by the County because the Facilities are located within the territorial limits of the County; and

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 7/10/17
DATE

WHEREAS, the Board of Supervisors of the County (the “Board”) is the elected legislative body of the County and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the Board approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “Agreement”), among certain local agencies, including the County; and

WHEREAS, pursuant to Section 147(f) of the Code, the Board has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority;

BE IT RESOLVED, DETERMINED and ORDERED, by the Board of Supervisors of the County of Riverside, in regular session assembled on July 25, 2017, as follows:

1. The Board hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Board that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the issuer of the Bonds and the governmental unit having jurisdiction over the area in which the Facilities are located, in accordance with said Section 147(f), and (b) the Agreement.

2. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

3. This resolution shall take effect immediately upon its adoption.

ADOPTED by Riverside County Board of Supervisors on July 25, 2017, by the following
vote:

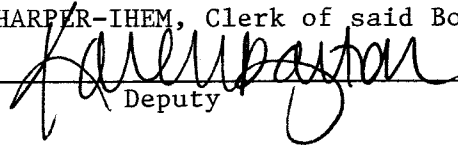
ROLL CALL:

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None

The foregoing is certified to be a true copy of a resolution duly
adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER-IHEM, Clerk of said Board

By


Deputy

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

PROOF OF PUBLICATION
(2010, 2015.5 C.C.P)

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

07/10/2017

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: July 10, 2017

At: Riverside, California

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NOTICE OF PUBLIC HEARING REGARDING THE ISSUANCE OF REVENUE BONDS

NOTICE IS HEREBY GIVEN that on or about July 25, 2017, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 will be held with respect to the proposed issuance by the California Municipal Finance Authority (the "Issuer") of its revenue bonds in one or more series in an amount not to exceed \$37,000,000 (the "Bonds"). The proceeds of the Bonds will be loaned to one or more affiliates of Retirement Housing Foundation, a California nonprofit public benefit corporation ("RHF"), as described in a Loan Agreement between the Issuer and one or more of the Borrowers (as defined below): RHF is the sole corporate member of: (i) Bixby Knolls Tower, Inc., (ii) Gold Country Health Center, Inc., (iii) Mayflower RHF Housing, Inc., (iv) Mayflower Gardens Health Facility, Inc., and (v) Sun City RHF Housing, Inc. (the entities listed in (i) through (v) are collectively referred to as the "Borrowers"). Each of the Borrowers is a nonprofit public benefit corporation and an organization as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The proceeds of the Bonds will be used to: (1) current refund all or a portion of the outstanding principal amount of the California Statewide Communities Development Authority Revenue Bonds (Retirement Housing Foundation Obligated Group), Series 2014A (the "2014 Bonds"), (2) finance or reimburse the costs of constructing, renovating, remodeling and/or equipping long-term care facilities located on the Borrower's campuses in an amount not to exceed \$7,000,000, (3) fund a debt service reserve fund to secure the Bonds and (4) pay certain expenses incurred in connection with the issuance of the Bonds. The Bonds will be issued in one or more series as part of a plan of finance to provide the Borrowers with moneys to finance and refinance projects located in the State of California. Public approval from each of the local municipalities in which the other refinanced facilities are located has been or will be obtained following a public notice and public hearing in each location.

The proceeds of the 2014 Bonds were used to: (1) current refund the California Statewide Communities Development Authority Variable Rate Demand Revenue Refunding Bonds, Series 2008 (Retirement Housing Foundation Obligated Group) (the "2008 Bonds") and (2) pay certain expenses incurred in connection with the issuance of the 2014 Bonds.

The proceeds of the 2008 Bonds were used to: (1) current refund the Certificates of Participation Evidencing Proportionate Interest of the Holders Thereof in Installment Payments to be Paid by the California Statewide Communities Development Authority to Bixby Knolls Towers, Inc., Gold Country Health Center, Inc., Mayflower RHF Housing, Inc., Mayflower Gardens Health Facilities, Inc. and Sun City RHF Housing, Inc. (the "1998 Certificates") and (2) pay certain expenses incurred in connection with the issuance of the 2008 Bonds.

The proceeds of the 1998 Certificates were used to: (1) advance refund the Certificates of Participation Evidencing Proportionate Interest of the Holders Thereof in Installment Payments to be Paid by the County of Los Angeles to Bixby Knolls Towers, Inc., Gold Country Health Center, Inc., and Mayflower Gardens Health Facilities, Inc. (the "1992 Los Angeles Certificates"), (2) advance refund the Certificates of Participation Evidencing Proportionate Interest of the Holders Thereof in Installment Payments to be Paid by the California Statewide Communities Development Authority to Bixby Knolls Towers, Inc., Gold Country Health Center, Inc., Mayflower RHF Housing, Inc. and Mayflower Gardens Health Facilities, Inc. (the "1992 CSCDA Certificates"), (3) refinance a taxable conventional bank loan to Sun City RHF Housing, Inc. (the "Sun City Bank Loan"), (4) finance certain improvements at the facilities of Sun City RHF Housing, Inc. (the "Sun City Facility") to facilitate use of certain units for assisted living, (5) fund a debt service reserve fund and (6) pay certain expenses incurred in connection with the issuance of the 1998 Certificates.

The proceeds of the 1992 Los Angeles Certificates were used to: (1) advance refund the Housing Authority of the County of Los Angeles Multifamily Housing Revenue Bonds, 1985 Issue K (GNMA Mortgage Backed Security - Mayflower Gardens Project) (the "1985 Mayflower Bonds"), (2) finance and refinance certain capital expenditures for and at the facilities owned by Mayflower Gardens Health Facilities, Inc. and Mayflower RHF Housing, Inc., (3) pay certain credit enhancement fees, (4) fund a debt service reserve fund and (5) pay certain expenses incurred in connection with the issuance of the 1992 Los Angeles Certificates.

The proceeds of the 1992 CSCDA Certificates were used to: (1) advance refund the California Health Facilities Authority Health Facility Revenue Bonds (Insured Loan) Gold Country Health Center (1983 Series A Bonds) (the "1983 Bonds"), (2) advance refund the California Health Facilities Authority Health Facility Revenue Bonds Gold Country Health Center (1985 Series B Bonds) (the "1985 Bonds"), (3) finance and refinance certain capital expenditures for and at the Borrower's facilities other than the facilities owned by Mayflower Gardens Health Facilities, Inc. and Mayflower RHF Housing, Inc., (4) pay certain credit enhancement fees, (5) fund a debt service reserve fund and (6) pay certain expenses incurred in connection with the issuance of the 1992 CSCDA Certificates.

The facilities financed and refinanced by the Bonds are owned and operated by the Borrowers and are located at the campuses of the Borrowers, whose addresses are: (1) 3737 Atlantic Avenue and 3747 Atlantic Avenue, Long Beach, California, (2) 4301 Golden Center Drive and 4041 Golden Center Court, Placerville, California, (3) 6705 West Avenue M and 6570 West Avenue L012, Lancaster, California and (4) 28500 Bradley Road, Sun City, California.

The Bonds when issued will be a limited obligation of the Issuer and will not constitute a general obligation or indebtedness of the Issuer, the State of California or any political subdivision thereof. The Bonds will not constitute an indebtedness for which the faith and credit and taxing powers of the State of California or any political subdivision thereof, are pledged to the payment of the principal, premium or interest with respect to the Bonds. The Issuer has no taxing power.

The hearing will commence at 9:00 a.m. or as soon thereafter as the matter can be heard, and will be held at County Board Chambers, 4080 Lemon Street, 1st Floor, Riverside, California 92501. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed and refinanced may attend the public hearing or, prior to the time of the hearing, submit written comments.

Additional information concerning the above matter may be obtained from, and written comments should be addressed to, Attention: Clerk of the Board of Supervisors, County of Riverside, 4080 Lemon Street, Riverside, California 92501.

Dated: June 10, 2017