

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



ITEM
9.1
(ID # 5900)

MEETING DATE:

Tuesday, December 12, 2017

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Public Hearing on the Adoption of Resolution No. 2017-244, Approving the Issuance by the California Enterprise Development Authority of Revenue Obligations for the Benefit of DesertArc, District 4, [\$0] (Vote on Separately, Public Hearing Required).

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing per Section 147(f) of the Internal Revenue Code of 1986, as amended;
2. Adopt Resolution No. 2017-244, approving the issuance of tax-exempt obligations by the California Enterprise Development Authority for the benefit of DesertArc, a California nonprofit public benefit corporation (the "Borrower"), to (1) refinance the acquisition of the real property and improvements located at 73255 Country Club Drive, Palm Desert, California 92260 and 45875 Commerce Street, Indio, California 92201 (collectively, the "Property"); (2) finance the construction of improvements to the Property and acquisition of equipment, including rolling stock; and (3) pay certain expenses incurred in connection with the issuance of the Obligations; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2017-244, including but not limited to, signing subsequent essential and relevant documents.

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA 11/27/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Tavaglione and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Perez and Ashley
Nays: None
Absent: Washington
Date: December 12, 2017
xc: EDA, Authority

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

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

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 Borrower, a California nonprofit public benefit corporation, assists adults 18 and older with developmental disabilities by offering programs to help them find employment and homes, and to provide a safe place for them to interact with others.

Many of the Borrower's clients have multiple disabilities, including autism, cerebral palsy, Down syndrome, epilepsy, and other medical conditions, and 99% of them are low income and receive Social Security and Medicare benefits. The Borrower has roughly 900 clients enrolled in all programs throughout the Coachella Valley and the Morongo Basin, and offers services to clients as far west as Temecula and as far east as Blythe. The Borrower's client base is growing at an average rate of 3-5% per year.

The Borrower intends to (1) refinance the acquisition of the real property and improvements located at 73255 Country Club Drive, Palm Desert, California 92260 (collectively, the Property); (2) finance the construction of improvements to the Property and acquisition of equipment, including rolling stock; and (3) pay the costs of issuance in connection with the financing and other related costs (collectively, the Project).

The California Enterprise Development Authority (the Authority) proposes to issue tax-exempt obligations in an amount not to exceed \$5,000,000 for the Project. The Authority is an eligible conduit issuer of tax-exempt obligations.

In order for the interest on the obligations to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended (the Code), requires that the governmental unit where the financed facilities are located, hold a public hearing on the issuance of the obligations and approve the issuance of the obligations following such hearing. The Authority has requested that the Board approve the issuance of the obligations by the Authority in order to satisfy the public approval requirement of section 147(f) of the Code. The Authority will be the conduit issuer, and the tax-exempt obligations will not represent a general obligation of the County of Riverside or the Economic Development Agency for the County of Riverside.

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

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No. 2017-244.

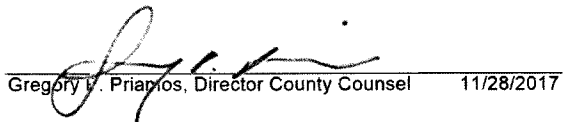
Impact on Residents and Businesses

The Project will have a positive impact on citizens as it provides education and administrative facilities for serving adults, 18 and over with developmental disabilities in the community as well as creates jobs for local residents.

- Attachments:
- Resolution No. 2017-244
- Public Notice

Rf:HM:CH:RM:


Nehini Dasika, Principal Management Analyst 12/6/2017


Gregory V. Priapros, Director County Counsel 11/28/2017

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2017-244

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE OF REVENUE OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVING AND EQUIPPING OF CERTAIN FACILITIES FOR THE BENEFIT OF DESERTARC (OR AN AFFILIATE THEREOF)

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"), the cities of Eureka, Lancaster and Selma (the "Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized, for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members and associate members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the County of Riverside, California (the "County") is an associate member of the Authority; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction of capital projects; and

WHEREAS, DesertArc, a California nonprofit public benefit corporation (the "Borrower"), and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested that the Authority participate in the issuance, from time to time, pursuant to a plan of finance, its tax-exempt and/or taxable revenue bonds, notes or other evidence of obligations in an aggregate principal amount not to exceed \$5,000,000 (the "Obligations") to (1) refinance the acquisition of the real property and improvements located at 73255 Country Club Drive, Palm Desert, California 92260 and 45875 Commerce Street, Indio, California 92201 (collectively, the "Property"); (2) finance the construction of improvements to the Property and acquisition of equipment, including rolling stock (collectively, together with the Property, the "Financed Facilities"); and (3) pay certain costs of issuance in connection with such financing and refinancing (collectively, the "Project"); and

FORM APPROVED COUNTY COUNSEL
BY Dale A. Gardner 11/21/17
DATE
DALE A. GARDNER

1 Section 3. The issuance of the Obligations shall be subject to the approval of the
2 Authority of all financing documents relating thereto to which the Authority is a party. The County
3 shall have no responsibility or liability whatsoever with respect to the Obligations.

4 Section 4. The adoption of this Resolution shall not obligate the County or any
5 department thereof to (i) provide any financing to acquire or construct the Financed Facilities or
6 any refinancing of the Financed Facilities; (ii) approve any application or request for or take any
7 other action in connection with any planning approval, permit or other action necessary for the
8 acquisition, rehabilitation or operation of the Financed Facilities; (iii) make any contribution or
9 advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the
10 Authority or its membership therein.

11 Section 5. The executing officers(s), the Clerk and all other proper officers and
12 officials of the County are hereby authorized and directed to execute such other agreements,
13 documents and certificates, and to perform such other acts and deeds, as may be necessary or
14 convenient to effect the purposes of this Resolution and the transactions herein authorized.

15 Section 6. The Clerk shall forward a certified copy of this Resolution to the Authority
16 in care of its counsel:

17 Sam S. Balisy, Esq.
18 Kutak Rock LLP
19 777 South Figueroa Street, Suite 4550
20 Los Angeles, California 90017

21 Section 7. This Resolution shall take effect immediately upon its adoption.

22 (Signatures on Following Page)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

PASSED, APPROVED AND ADOPTED THIS 12th day of December, 2017

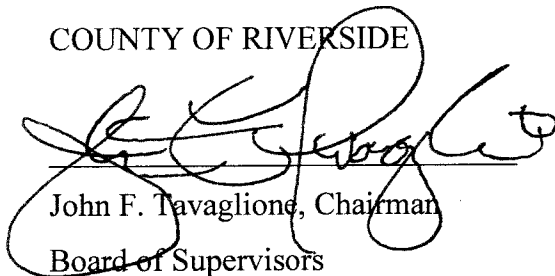
AYES: Jeffries, Tavaglione, Perez and Ashley

NOES: None

ABSENT: Washington

ABSTAIN: None

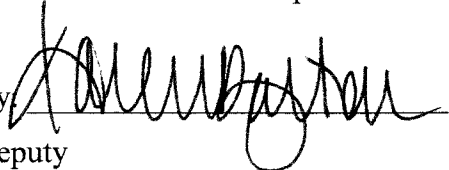
COUNTY OF RIVERSIDE


John F. Tavaglione, Chairman
Board of Supervisors

ATTEST:

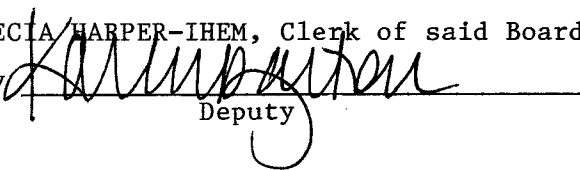
Kecia Harper-Ihem

Clerk of the Board of Supervisors

By 
Deputy

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

NOTICE OF PUBLIC HEARING WITH RESPECT TO THE ISSUANCE OF TAX-EXEMPT REVENUE OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF FACILITIES AND EQUIPMENT FOR THE BENEFIT OF DESERT ARC OR A SUCCESSOR ENTITY

NOTICE IS HEREBY GIVEN that at 9:00 a.m., or as soon thereafter as the matter may be heard, on December 12, 2017, at 4080 Lemon Street, First Floor, Board Chambers, Riverside, California, 92501, the Board of Supervisors of the County of Riverside (the "Board") will conduct a public hearing (the "Public Hearing") at which the Board will hear and consider information concerning the issuance, from time to time, pursuant to a plan of finance, of one or more series of tax-exempt revenue obligations by the California Enterprise Development Authority (the "Issuer") in an aggregate principal amount not to exceed Five Million Dollars (\$5,000,000) (the "Obligations") for the benefit of DesertArc, a California nonprofit public benefit corporation (the "Borrower"). The Issuer will loan the proceeds of the Obligations to the Borrower pursuant to one or more loan agreements (the "Loan Agreement"). The proceeds of the Obligations loaned to the Borrower will be used to (1) refinance the cost of acquisition of the real property and improvements located at 73255 Country Club Drive, Palm Desert, California 92260 and 45875 Commerce Street, Indio, California 92201 (collectively, the "Property"); and (2) finance the construction of improvements to the Property and the acquisition of equipment, including rolling stock (collectively, together with the Property, the "Financed Properties"). A portion of the proceeds of the Obligations will be used to pay the costs of issuance in connection with the financing and other related costs. The Borrower is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and will own and operate the Financed Properties to provide services to adults with developmental disabilities, including vocational training, job development, job placement and employment, independent living support with 24 hour emergency assistance, hot meals and nutrition, transportation, support and training for self-help and independent living, case management and personalized coordination of client services, advocacy for client needs and community integration. The Obligations will be paid entirely from repayments by the Borrower under the Loan Agreement.

Neither the faith and credit nor the taxing power of the County of Riverside (the "County"), the State of California (the "State"), or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on, the Obligations, nor shall the County, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of, premium, if any, or interest on, the Obligations.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Code. Those wishing to comment on the proposed nature and location of the Financed Properties and the financing of the Financed Properties with the proceeds of the Obligations may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing by the County of Riverside, Attention: Clerk of the Board of Supervisors, 4080 Lemon Street, Riverside, California 92501.

Date: November 28, 2017

COUNTY OF RIVERSIDE

By: /s/ Kecia Harper-Ihem
Clerk of the Board of Supervisors

BUSINESS JOURNAL

This space for filing stamp only

3600 LIME ST. #114, RIVERSIDE, CA 92501
Telephone (951) 784-0111 / Fax (951) 784-6947

ELIZABETH LEE
KUTAK ROCK
777 S. FIGUEROA ST. SUITE 4550
LOS ANGELES, CA - 90017

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of RIVERSIDE) ss

Notice Type: HRG - NOTICE OF HEARING

Ad Description:

FACILITIES AND EQUIPMENT FOR THE BENEFIT OF

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the BUSINESS JOURNAL, a newspaper published in the English language in the city of RIVERSIDE, county of RIVERSIDE, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of RIVERSIDE, State of California, under date 10/26/1995, Case No. 271588 and under date 12/7/1994, Case No. 253011. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

11/28/2017

Executed on: 11/28/2017
At Los Angeles, California

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

[Handwritten Signature]

Signature

BJ #: 3074957

NOTICE OF PUBLIC HEARING WITH RESPECT TO THE ISSUANCE OF TAX-EXEMPT REVENUE OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF FACILITIES AND EQUIPMENT FOR THE BENEFIT OF DESERT ARC OR A SUCCESSOR ENTITY

NOTICE IS HEREBY GIVEN that at 9:00 a.m., or as soon thereafter as the matter may be heard, on December 12, 2017, at 4080 Lemon Street, First Floor, Board Chambers, Riverside, California, 92501, the Board of Supervisors of the County of Riverside (the "Board") will conduct a public hearing (the "Public Hearing") at which the Board will hear and consider information concerning the issuance, from time to time, pursuant to a plan of finance, of one or more series of tax-exempt revenue obligations by the California Enterprise Development Authority (the "Issuer") in an aggregate principal amount not to exceed Five Million Dollars (\$5,000,000) (the "Obligations") for the benefit of DesertArc, a California nonprofit public benefit corporation (the "Borrower"). The Issuer will loan the proceeds of the Obligations to the Borrower pursuant to one or more loan agreements (the "Loan Agreement"). The proceeds of the Obligations loaned to the Borrower will be used to (1) refinance the cost of acquisition of the real property and improvements located at 73255 Country Club Drive, Palm Desert, California 92260 and 45875 Commerce Street, Indio, California 92201 (collectively, the "Property"); and (2) finance the construction of improvements to the Property and the acquisition of equipment, including rolling stock (collectively, together with the Property, the "Financed Properties"). A portion of the proceeds of the Obligations will be used to pay the costs of issuance in connection with the financing and other related costs. The Borrower is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and will own and operate the Financed Properties to provide services to adults with developmental disabilities, including vocational training, job development, job placement and employment, independent living support with 24 hour emergency assistance, hot meals and nutrition, transportation, support and training for self-help and independent living, case management and personalized coordination of client services, advocacy for client needs and community integration. The Obligations will be paid entirely from repayments by the Borrower under the Loan Agreement. Neither the faith and credit nor the taxing power of the County of Riverside (the "County"), the State of California (the "State"), or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on, the Obligations, nor shall the County, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of, premium, if any, or interest on, the Obligations.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Code. Those wishing to comment on the proposed nature and location of the Financed Properties and the financing of the Financed Properties with the proceeds of the Obligations may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing by the County of Riverside, Attention: Clerk of the Board of Supervisors, 4080 Lemon Street, Riverside, California 92501. Date: November 28, 2017 COUNTY OF RIVERSIDE
By: /s/ Kacia Harper-Ihem Clerk of the Board of Supervisors
11/28/17

BJ-3074957#



Email * A 0 0 0 0 0 4 6 1 2 4 1 5 *