

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



ITEM
3.6
(ID # 9219)

MEETING DATE:

Tuesday, April 9, 2019

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of the Assignment and Assumption of Ground Lease between Coachella Valley Rescue Mission and CVRM NMTC Project Holdings, 47-470 Van Buren Street, Indio, Coachella Valley Rescue Mission (CVRM), District 4, CEQA Exempt, [0], (Clerk to File Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities exemption and Section 15061(b)(3) "Common Sense" exemption;
2. Approve the Assignment and Assumption of Ground Lease, and authorize the Chairman of the Board to execute the same on behalf of the County; and
3. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) days of approval by the Board.

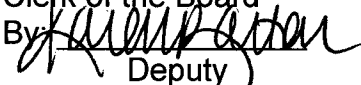
ACTION:Policy


Heidi Marshall, Managing Director 3/25/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: April 9, 2019
xc: EDA, Recorder

Kecia Harper
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:			Budget Adjustment:	No
			For Fiscal Year:	2018/19

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

BACKGROUND:

Summary

On January 25, 2011, the Board of Supervisors approved a ground lease (Lease) with the Coachella Valley Rescue Mission (CVRM). The purpose of the ground lease was to allow the CVRM to construct a new homeless shelter and resource center on the 3.15 +/- acre site located at 47-470 Van Buren Blvd., in the City of Indio. Now fully constructed, CVRM provides 150 shelter beds and consists of approximately 43,000 square feet.

The Lease required approval by the County of an assignment in the event CVRM was required to form a separate entity (the assignee) to procure new market tax credit financing on the property for the planning and construction of the project or any future phases. An Assignment and Assumption Agreement was executed by the Assistant County Executive Officer/ECD and CVRM, whereby the Lease and all obligations thereof, were assigned from the CVRM to the newly formed entity, CVRM NMTC Project Holdings, a California non-profit corporation.

In addition, the lender required that modifications to the Lease be implemented by a First Amendment (Amendment) to the Lease, along with additional documents to be executed in connection with the financing. These documents included a Recognition and Consent to Leasehold Deed of Trust, a Sublease Agreement, and Consent to Sublease Agreement. The Amendment and all financial documents were approved by the Board of Supervisors on August 16, 2011.

Certain components and requirements of the financing have expired, terminated, or otherwise been satisfied and complied with and therefore CVRM NMTC Project Holdings desires to assign all rights, title, and interest to the Lease back to CVRM with an Assignment and Assumption of Ground Lease, which requires County approval.

Impact on Residents and Businesses

CVRM is a safe place of refuge for the homeless in the Coachella Valley. Staff and volunteers serve more than 340,000 meals annually and provide shelter and assistance to thousands of

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

men, women and children. Food, clothing and showers are also provided. This Assignment and Assumption of Ground Lease has no direct impact on the residents or businesses in Indio.

Additional Fiscal Information

There are no costs to the County associated with the Assignment and Assumption of Ground Lease.

Contract History and Price Reasonableness

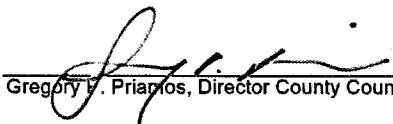
Assignment and Assumption of Ground Lease has no associated costs.

The ground lease has been amended once previously.

<u>Amendment</u>	<u>Date and M.O.</u>
Ground Lease	January 25, 2011 (M.O. 3-10)
First Amendment	August 16, 2011 (M.O. 3-40)

Attachments:

- Assignment and Assumption of Ground Lease
- Aerial Image
- Notice of Exemption



Gregory P. Priamos, Director County Counsel 3/27/2019



Original Negative Declaration/Notice of
Determination was routed to County
Clerks for posting on.

4/9/19
Date

us
Initial

NOTICE OF EXEMPTION

March 26, 2019

Project Name: County of Riverside, Assignment and Assumption of Ground Lease between Coachella Valley Rescue Mission and CVRM NMTC Project Holdings, Indio

Project Number: FM0473341009300

Project Location: 47-470 Van Buren Street, west of Indio Boulevard, Assessor's Parcel Number (APN) 603-050-009, Indio, Riverside County, California, 92201 (See attached exhibit)

Description of Project: On January 25, 2011, the County of Riverside (County) entered into a Ground Lease Agreement with the Coachella Valley Rescue Mission (CVRM). The purpose of the ground lease was to allow CVRM to construct a new rescue mission on the 3.15 +/- acre site located at 47-470 Van Buren Boulevard in the City of Indio, which provided for 150 beds and consists of approximately 43,000 square feet. The ground lease required approval by the County of an assignment in the event CVRM was required to form a separate entity (the assignee) to procure new market tax credit financing on the property for the planning and construction of the project. An Assignment and Assumption Agreement was executed by the County and CVRM, whereby the ground lease, and all obligations thereof, was assigned from the CVRM to CVRM NMTC Project Holdings, a California non-profit corporation, as required, to procure the new market tax credit financing.

In addition, the lender required that modifications to the ground lease be executed in connection with the financing. These documents included a Recognition and Consent to Leasehold Deed of Trust, a Sublease Agreement, and Consent to Sublease Agreement. The First Amendment and all financial documents were approved by the County Board of Supervisors on August 16, 2011. Certain components and requirements of the financing have expired, terminated, or otherwise been satisfied and complied with, and therefore, CVRM NMTC Project Holdings desires to assign all rights, title, and interest to the Ground Lease back to CVRM with an Assignment and Assumption of Ground Lease, which requires County approval. The Assignment and Assumption of Ground Lease is identified as the proposed project under the California Environmental Quality Act (CEQA). No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency, Coachella Valley Rescue Mission, CVRM NMTC Project Holdings

Exempt Status: State CEQA Guidelines Section 15301 Existing Facilities Exemption, Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Article 5 Sections 15061.

APR 09 2019 3.6

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686

www.pceda.org

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Foreign Trade
Graffiti Abatement

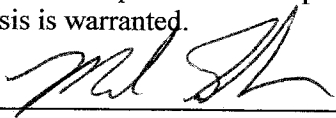
Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

Reasons Why Project is Exempt: The proposed project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The project will not cause an impact to an environmental resource of hazardous or critical concern nor would the project include unusual circumstances which would have a potentially significant effect on the environment. The project would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. The project is limited to administrative action that was previously taken to facilitate the tax credit financing of the project. The assignment of the Ground Lease back to the original entity would not result in any physical direct or reasonably foreseeable indirect impacts to the environment. and no significant environmental impacts are anticipated to occur.

- **Section 15301 –Existing Facilities:** This Class 1 categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The project, as proposed, is limited to the assignment of an existing Ground Lease. The changes are limited to the change in ownership and responsibility for the terms of the Ground Lease. The Consent to Assignment and Assumption of Ground Lease will have the same purpose and substantially similar capacity on the existing facility that was constructed as part of the Ground Lease. The assignment of Ground Lease back to its original assignee is a contractual administrative change that would have no physical effect on the existing facility. Therefore, the project is exempt as it meets the scope and intent of the Categorical Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- **Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the project may have a significant effect on the environment. The consent to the Assignment and Assumption of Ground Lease is an administrative function that was initially required to facilitate financing of the building. The Assignment of the Ground Lease back to the original assignee, CVRM, would result in the continued operation of the facility. No significant direct or indirect environmental impacts would occur. Therefore, in no way, would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed: _____



Date: _____

3/26/19

Mike Sullivan, Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Assignment and Assumption of Ground Lease between Coachella Valley Rescue Mission and CVRM NMTC Project Holdings, Indio

Accounting String: 524830-47220-7200400000- - FM0473341009300

DATE: March 26, 2019

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: Mike Sullivan, Senior Environmental Planner, Economic Development Agency

Signature: 

PRESENTED BY: Candice Diaz, Real Property Agent II, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: March 26, 2019

To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk

From: Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM0473341009300**
Assignment and Assumption of Ground Lease between Coachella Valley Rescue Mission and CVRM
NMTC Project Holdings, Indio

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to:

Mail Stop #1330

Attention: Mike Sullivan, Senior Environmental Planner,

Economic Development Agency,

3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009 or email at msullivan@rivco.org.

Attachment

cc: file

This document prepared by (and after
recording return to):

Ascent Law Group, PLLC
7683 SE 27th Street, Suite 212
Mercer Island, WA 98040
Attention: Shaun A. Gill
Telephone: (206) 395-7550

-----Above this Line for Official Use Only-----

Assignment and Assumption of Ground Lease

APR 09 2019 3.6

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE (“**Assignment of Ground Lease**”) is made as of _____, 2019, by and between CVRM NMTC PROJECT HOLDINGS, a California nonprofit corporation (“**Assignor**”), and COACHELLA VALLEY RESCUE MISSION, a California nonprofit corporation (“**Assignee**”). The COUNTY OF RIVERSIDE (the “**County**”) is a signatory hereto for the express purpose of evidencing its consent to this Assignment of Ground Lease.

RECITALS

A. Pursuant to that certain Ground Lease, dated January 25, 2011 (the “**Original Ground Lease**”), as amended by that certain Assignment and Assumption of Ground Lease, dated August 4, 2011 (the “**Initial Assignment Agreement**”), and that certain First Amendment to Ground Lease, dated August 16, 2011 (collectively, the “**Ground Lease**”), the County leases to Assignor that certain encumbered, improved real property located at 47-470 Van Buren Street, Indio, CA 92201, and legally described on Exhibit A attached hereto (the “**Property**”).

B. Assignee was the initial tenant under the Original Ground Lease and is currently a subtenant of the Property pursuant to that certain Sublease Agreement dated August 25, 2011, entered into by and between Assignor, as sublandlord, and Assignee, as subtenant (“**Sublease**”).

C. In order to finance the development of a new homeless shelter and related facilities on the Property, Assignor and Assignee entered into that certain New Markets Tax Credit financing on or about August 25, 2011 (the “**Financing**”).

D. As a component of the Financing, Assignee assigned its interest under the Original Ground Lease to Assignor pursuant to the Initial Assignment Agreement, which Initial Assignment Agreement was consented to by the County pursuant to its countersignature thereto.

E. Certain components and requirements of the Financing have now concluded and expired, and in connection therewith, Assignor now desires to assign to Assignee, and Assignee desires to assume from Assignor, all rights, obligations, duties and liabilities of Assignor under the Ground Lease from and after the Effective Date (the “**Assignment**”).

F. The County desires to acknowledge its consent to the Assignment in accordance with and in complete satisfaction of Section 22 of the Ground Lease by its countersignature hereto upon the express condition that Assignor and Assignee terminate the Sublease and record a Termination of Memorandum of Sublease concurrently with this Assignment of Ground Lease.

E. Assignor hereby represents and warrants to Assignee that the Ground Lease has not been amended or modified, that Assignor is not in default or breach of any of the provisions of the Ground Lease, and that Assignor has no knowledge of any claim by the County that Assignor is in default or breach of any of the provisions of the Ground Lease.

NOW THEREFORE, in consideration of the mutual promises made in this Assignment of Ground Lease and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Assignment and Assumption. Assignor hereby assigns, transfers and conveys to Assignee, and Assignee hereby accepts and assumes, all of Assignor's right, title, and interest in and to the Ground Lease. The parties hereto further acknowledge and agree that Assignee shall expressly assume and be responsible for any and all liability for failure to perform or comply with any terms, covenants or conditions of the Ground Lease, or for any obligations thereunder, which arise from and after the Effective Date.

2. Consent of County. The County hereby expressly consents to the Assignment in accordance with and in complete satisfaction of Section 22 of the Ground Lease upon the express condition that Assignor and Assignee terminate the Sublease and record, in the Office of the County Recorder for the County of Riverside, a Termination of Memorandum of Sublease concurrently with this Assignment of Ground Lease ("**Termination of Memorandum of Sublease**").

3. Binding Effect. The provisions of this Assignment of Ground Lease shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and permitted assigns.

4. Applicable Law. This Assignment of Ground Lease shall be governed by the laws of the State of California.

5. Counterparts. This Assignment of Ground Lease may be executed in counterparts, each of which shall be treated as an original hereof, but all of which, when taken together, shall constitute one and the same instrument.

6. Effective Date. This Assignment of Ground Lease shall not be binding and effective until the date the Termination of Memorandum of Sublease is recorded in the Office of the County Recorder for the County of Riverside ("**Effective Date**").

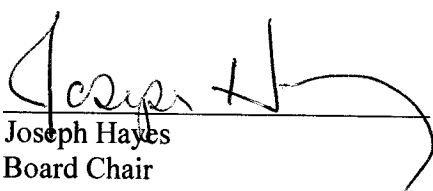
[Signature pages follow.]

Signature Page to Assignment and Assumption of Ground Lease

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption of Ground Lease to be executed as of the day and year first above written.

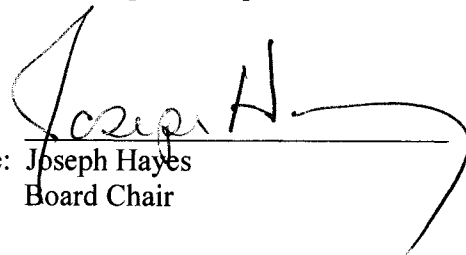
ASSIGNOR:

CVRM NMTC PROJECT HOLDINGS,
a California nonprofit corporation

By: 
Name: Joseph Hayes
Title: Board Chair

ASSIGNEE:

COACHELLA VALLEY RESCUE MISSION,
a California nonprofit corporation

By: 
Name: Joseph Hayes
Title: Board Chair

ASSIGNOR:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

State of California

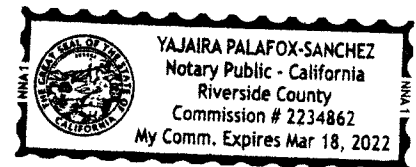
County of Riverside

On March 7th 2019 before me, Yajaira Palafox Sanchez Notary Public (here insert name and title of the officer), personally appeared Joseph Hayes, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal)



ASSIGNEE:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

State of California

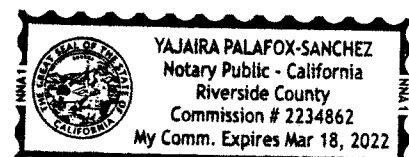
County of Riverside

On March 7, 2019 before me, Yajaira Palafox Sanchez Notary Public (here insert name and title of the officer), personally appeared Joseph Hayes, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal)



**Signature Page to Assignment and Assumption of Ground Lease
(Continued)**

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption of Ground Lease to be executed as of the day and year first above written.


COUNTY:

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

By: 
Chairman, Board of Supervisors
KEVIN JEFFRIES

APPROVED AS TO FORM:

Gregory P. Priamos, County Counsel

By: 
Thomas Oh
Deputy County Counsel

ATTEST:

KEQIA R. HARPER, Clerk

By: 
DEPUTY

[Notary acknowledgments follow.]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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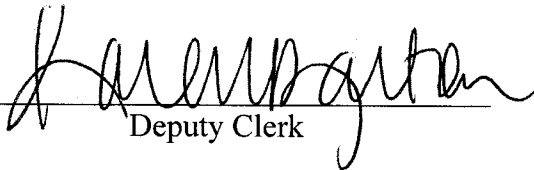
On April 9, 2019, before me, Karen Barton, Board Assistant, personally appeared Kevin Jeffries, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Kecia R. Harper
Clerk of the Board of Supervisors

By:


Deputy Clerk

(SEAL)

EXHIBIT A

Legal Description

Parcel(s) 1 of Parcel Map No. 34740, in the City of Indio, County of Riverside, State of California, as shown by map on file in Book 231 Page(s) 55 through 57, inclusive, of Parcel Maps, Records of Riverside County, California.