

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



ITEM
19.1
(ID # 10853)

MEETING DATE:

Tuesday, October 8, 2019

FROM: ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Public Hearing for Resolution No. 2019-198, Approving the Issuance of the California Municipal Finance Authority Exempt Facility Bonds in an Aggregate Principal Amount Not to Exceed \$25,000,000 for the Purpose of Financing or Refinancing the Acquisition, Rehabilitation, Improvement and Equipping of Cathedral Palms Apartments and Other Matters Relating Thereto, District 4, [\$0]

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. 2019-198, Approving the Issuance of the California Municipal Finance Authority Exempt Facility Bonds in an Aggregate Principal Amount Not to Exceed \$25,000,000 for the Purpose of Financing or Refinancing the Acquisition, Rehabilitation, Improvement and Equipping of Cathedral Palms Apartments and Other Matters Relating Thereto; and
3. Authorize the Assistant County Executive Officer/ECD, or designee, to take all necessary steps to implement Resolution No. 2019-198, including, but not limited to, signing subsequent essential and relevant documents.

ACTION: Policy, Set for Hearing

Robert Field, Assistant County Executive Officer/ECD 9/17/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel and Hewitt
Nays: None
Absent: Washington and Perez
Date: October 8, 2019
xc: EDA

Kecia R. Harper
Clerk of the Board

By:
Deputy

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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:	19/20

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Board of Supervisors of the County of Riverside (County) is being asked to adopt a resolution which would approve the issuance of the California Municipal Finance Authority (the "Issuer") of Exempt Facility Bonds in an Aggregate Principal Amount Not to Exceed \$25,000,000 (the "Bonds") for the Purpose of Financing or Refinancing the Acquisition, Rehabilitation, Improvement and Equipping of Cathedral Palms Apartments and Other Matters Relating Thereto. The proceeds of the Bonds will be used to (a) finance the cost of acquisition, rehabilitation, installation, equipping and furnishing of Cathedral Palms Apartments, a 224-unit senior multifamily rental housing project located at 31750 Landau Boulevard, Cathedral City, CA consisting of 184 studios and 40 two-bedroom apartments, and one manager's unit, together with all necessary ancillary facilities (the "Facilities"), owned by CP Senior Apartments, L.P., a California limited partnership (the "Borrower"); and (b) pay capitalized interest and certain costs of issuance in connection with the issuance of the bonds. The Facilities will be owned and operated by the Borrower and intended to be rented to low-income individuals to further the Borrower's mission of providing decent, safe and sanitary affordable housing to households within the Borrower's territory of operation. The Facilities serves residents earning between 30-60% of the Riverside County area median income. The Borrower is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and will own and operate the Facilities in connection with its mission of providing quality affordable housing and services to low income residents of the City of Cathedral City, County of Riverside, while advocating on behalf of those served by the Borrower.

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 October 8, 2019 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.

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STATE OF CALIFORNIA**

The County will not be a party to the financing documents. As set forth in the Joint Exercise of Power Agreement, effective as of January 1, 2004, 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 either the County or the Authority. Pursuant to the governing California statutes and the Associate Membership 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 the Borrower or one or more affiliates.

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No. 2019-198.

Impact on Residents and Businesses

The issuance of the bond will provide the Borrower 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.


Additional Fiscal Information

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

Attachments:

- Resolution No. 2019-198 AATF
- Public Notice


Nehini Masina, Principal Management Analyst 9/30/2019


Gregory V. Priamos, Director County Counsel 9/25/2019

2
3 RESOLUTION NO. 2019-198

4 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
5 RIVERSIDE APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL
6 FINANCE AUTHORITY EXEMPT FACILITY BONDS IN AN AGGREGATE
7 PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE PURPOSE OF
8 FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION,
9 IMPROVEMENT AND EQUIPPING OF CATHEDRAL PALMS APARTMENTS
10 AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

11
12 WHEREAS, CP Senior Apartments, L.P. (the "Borrower") a partnership of which National
13 Community Renaissance of California (the "Developer") or a related person to the Developer is
14 the general partner, has requested that the California Municipal Finance Authority (the
15 "Authority") adopt a plan of financing providing for the issuance of exempt facility bonds for a
16 qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of
17 1986 (the "Code") in one or more series issued from time to time, including bonds issued to
18 refund such exempt facility bonds in one or more series from time to time, and at no time to
19 exceed \$25,000,000 in aggregate principal amount (the "Bonds"), to finance or refinance the
20 acquisition, rehabilitation, improvement and equipping of a 224-unit senior multifamily rental
21 housing project located at 31750 Landau Boulevard, Cathedral City, California (the "Project");
22 and

23 WHEREAS, in order for the interest on the Bonds to be tax-exempt, Section 147(f) of the
24 Code requires that an "applicable elected representative" of the governmental unit, the
25 geographical jurisdiction of which contains the site of the Project, hold a public hearing on the
26 issuance of the Bonds and approve the issuance of the Bonds following such hearing; and
27
28

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* 24 Sep. 2019
DATE: DAVID M. MCCARTHY

1 WHEREAS, the Authority has determined that the Board of Supervisors of the County
2 (the "Board") is an "applicable elected representative" for the purposes of holding such hearing;
3 and

4 WHEREAS, the Authority has requested that the Board approve the issuance of the
5 Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of
6 the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating
7 to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"),
8 among certain local agencies, including the County; and

9 WHEREAS, notice of such public hearing has been duly given as required by the Code,
10 and this Board has heretofore held such public hearing at which all interested persons were
11 given an opportunity to be heard on all matters related to the Project and the Authority's
12 issuance of the Bonds therefor; and

13 WHEREAS, it is in the public interest and for the public benefit that the Board approve
14 the issuance of the Bonds by the Authority for the aforesaid purposes;

15 NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED, by the Board
16 of Supervisors of the County of Riverside in regular session assembled on October 8, 2019 at
17 9:30 am or soon thereafter in the meeting room of the Board of Supervisors located on the 1st
18 floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, that

19 1. Section 1. The foregoing resolutions are true and correct.

20
21 2. Section 2. The Board hereby approves the issuance of the Bonds by the
22 Authority. It is the purpose and intent of the Board that this resolution constitute
23 approval of the issuance of the Bonds by the Authority, for the purposes of
24 (a) Section 147(f) of the Code by the applicable elected representative of the
25 governmental unit having jurisdiction over the area in which the Project is
26 located, in accordance with said Section 147(f) and (b) Section 4 of the
27 Agreement.
28

- 1 3. Section 3. The issuance of the Bonds shall be subject to the approval of the
2 Authority of all financing documents relating thereto to which the Authority is a
3 party. The County shall have no responsibility or liability whatsoever with respect
4 to the Bonds.
- 5 4. Section 4. The adoption of this Resolution shall not obligate the County or any
6 department thereof to (i) provide any financing to acquire or construct the Project
7 or any refinancing of the Project; (ii) approve any application or request for or
8 take any other action in connection with any planning approval, permit or other
9 action necessary for the acquisition, construction, rehabilitation, installation or
10 operation of the Project; (iii) make any contribution or advance any funds
11 whatsoever to the Authority; or (iv) take any further action with respect to the
12 Authority or its membership therein.
- 13 5. Section 5. The executing officer(s), the Clerk and all other proper officers and
14 officials of the County are hereby authorized and directed to execute such other
15 agreements, documents and certificates, and to perform such other acts and
16 deeds, as may be necessary or convenient to effect the purposes of this
17 Resolution and the transactions herein authorized.
- 18 6. Section 6. This resolution shall take effect immediately upon its adoption.

19 ROLL CALL:

20 Ayes: Jeffries, Spiegel and Hewitt
21 Nays: None
22 Absent: Washington and Perez

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

25 Kecia R. Harper, Clerk of said Board

26 By 
27 _____

28 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.: TEFRA Notice - Cathedral Palms /

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:

09/20/2019

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

Date: September 20, 2019
At: Riverside, California



Legal Advertising Representative, The Press-Enterprise

ORRICK, HERRINGTON, & SUTCLIFFE LLP
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Ad Number: 0011315513-01

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NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Tuesday, October 8, 2019, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), will be held with respect to a proposed plan of financing providing for the issuance by the California Municipal Finance Authority (the "Authority") of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Code in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, in an amount not to exceed \$25,000,000 in aggregate principal amount (the "Bonds"). The proceeds of the Bonds will be used to: (1) finance or refinance the acquisition, rehabilitation, improvement and equipping of Cathedral Palms Apartments, a 224-unit senior multifamily rental housing project located at 31750 Landau Boulevard, Cathedral City, California; and (2) pay certain expenses incurred in connection with the issuance of the Bonds. The facilities are to be owned by CP Senior Apartments, L.P. (the "Borrower") or a partnership of which National Community Renaissance of California (the "Developer") or a related person to the Developer is the general partner.

The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the Authority, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower.

The hearing will commence at 9:30 a.m. or as soon thereafter as the matter can be heard, and will be held in the Board Chambers, 4080 Lemon Street, 1st Floor, Riverside, California. 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 or 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, Clerk of the Board of Supervisors, County of Riverside, 4080 Lemon Street, 1st Floor, Riverside, California 92501.

Dated: September 20, 2019