



OFFICE OF THE
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October 29, 2013

Board of Supervisors
County of Marin
San Rafael, CA 94903

Subject: Tax-exempt financing by the California Statewide Communities Development Authority ("CSCDA"); Consent to hold a Tax Equity and Fiscal Responsibility Act ("TEFRA") public hearing on October 29, 2013 regarding issuance of up to \$35,000,000 of tax-exempt conduit obligations to finance and refinance capital improvements to certain senior living facilities of The Redwoods, a Community of Seniors ("The Redwoods") located at 40 Camino Alto, Mill Valley, CA 94941.

Dear Board Members:

Recommendation: It is recommended that, after holding the public hearing, your board adopt the resolution approving the tax-exempt financing and the issuance of the obligations by CSCDA for The Redwoods, which is a California nonprofit public benefit corporation.

Background: The Redwoods operates a senior living facility in Mill Valley, Marin County, California. The Redwoods' facility consists of 149 independent living apartments, 124 assisted living apartments, 10 assisted living semi-private rooms and a 58 licensed-bed skilled nursing facility.

The Redwoods has requested that CSCDA issue conduit tax-exempt obligations in an amount not to exceed \$35,000,000 to finance capital improvements to the senior living facility located at 40 Camino Alto, Mill Valley, CA 94941 and to refinance certain indebtedness, the proceeds of which were used to finance capital improvements at such facility.

Section 147(f)(2) of the Internal Revenue Code of 1986, as amended (the "Tax Code"), requires that, in order for the interest on such obligations to be excluded from gross income to investors for federal income tax purposes, the applicable elected representatives of the host governmental unit must approve the issuance of debt. This hearing and approval process is referred to as a "TEFRA" hearing, after the Tax Equity and Fiscal Responsibility Act of 1983, the regulations for which were promulgated under the Tax Code changes of 1986.

Since the facility to be financed and refinanced with the proposed CSCDA obligations are located within Marin County (the "County") and the County is a

member of CSCDA, your board has been asked to conduct the public hearing on October 29, 2013 and to approve the issuance of the obligations as the host governmental unit. Proper notice has been made concerning this hearing.

The obligations would be repaid solely from amounts received pursuant to the terms and provisions of the financing agreements to be executed by The Redwoods. The County would not be a party to the financing agreements. The obligations would not be secured by any form of taxation or any obligation of either the County or CSCDA. Neither would the obligations represent or constitute a general obligation of the County or CSCDA. The Redwoods must indemnify CSCDA and its members, including the County. All legal documents will contain clear disclaimers that the obligations are not obligations of the County or the CSCDA but are paid only from funds provided by The Redwoods.

As announced in the published notice, this hearing is an opportunity for all interested persons to speak or to submit written comments concerning the proposal to issue the obligations and the nature of the facilities to be refinanced and financed.

The California Statewide Communities Development Authority (CSCDA) is a joint powers authority sponsored by the California State Association of Counties (CSAC) and the League of California Cities.

CSCDA's mission is to provide local governments and private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California.

Participation by the County in CSCDA will not impact the County's appropriations limits and will not constitute any type of indebtedness by the County. Once the County holds the required public hearing and adopts the required resolution following the public hearing, no other participation of the County in the actions of the CSCDA or in the financing will be required.

Fiscal Impact: None. The County's membership in CSCDA bears with it no cost or financial obligation, but serves as a public acknowledgement of the facilities to be financed by the host jurisdiction. The County is in no way obligated on the obligations.

Respectfully submitted,



Matthew H. Hymel
County Administrator

Cc: Steven Woodside, County Counsel
Roy Given, Director of Finance

RESOLUTION NO. 2013 - _____
RESOLUTION OF THE MARIN COUNTY BOARD OF SUPERVISORS
APPROVING THE ISSUANCE OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
INSURED REVENUE BONDS, SERIES 2013
(THE REDWOODS, A COMMUNITY OF SENIORS)
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000
FOR THE PURPOSE OF
FINANCING THE CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF
CERTAIN SENIOR LIVING FACILITIES AND
REFINANCING CERTAIN INDEBTEDNESS
AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, The Redwoods, a Community of Seniors, a nonprofit public benefit corporation incorporated under the laws of the State of California (the "Corporation"), has requested that the California Statewide Communities Development Authority (the "Authority") participate in the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$35,000,000 (the "Bonds") to finance the construction, improvement and equipping of certain senior living facilities (the "Facilities") owned and operated by the Corporation and located at 40 Camino Alto in the City of Mill Valley, Marin County, California and to refinance certain indebtedness, the proceeds of which were used to finance the costs of constructing, renovating, equipping and furnishing the Facilities;

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the County of Marin (the "County") because the Facilities are located within the territorial limits of the County;

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

WHEREAS, the Board understands that its actions in holding the public hearing and in adopting this Resolution do not obligate the County in any manner for payment of the principal, interest, fees or any other costs associated with the issuance of the Bonds, and the Board expressly conditions its approval of the issuance of the Bonds by the Authority by the adoption of this Resolution on this understanding;

WHEREAS, the Authority has requested that the Board approve the issuance of the Bonds by the Authority for the purposes described above in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (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.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Marin, State of California as follows:

Section 1. The Board hereby approves the issuance of the Bonds by the Authority for the purposes described above. 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 governmental unit having jurisdiction over the area in which the Facilities are located, in accordance with said Section 147(f) and (b) Section 9 of the Agreement.

Section 2. All proper officers and officials 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.

Section 3. The Board expressly conditions its approval of this Resolution on its understanding that the County shall have no obligation whatsoever to pay any principal, interest, fees or other costs associated with the Authority's issuance of the Bonds.

Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Marin held on this 29th day of October, 2013 by the following vote:

AYES:

NOES:

ABSENT:

By: _____
President, Board of Supervisors

Attest:

By: _____
Clerk