



A G E N D A
JOINT MEETING: GLENDALE CITY COUNCIL AND
GLENDALE HOUSING AUTHORITY

COUNCIL CHAMBER, City Hall – 613 E. Broadway, 2nd Floor
Glendale, CA 91206

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JUNE 11, 2019

- ROLL CALL** - 3:00 p.m.
- Report of the City Clerk of the City Council and Housing Authority, re: Posting of Agenda. The Agenda for the June 11, 2019 joint public meeting of the City Council and Housing Authority was posted on Thursday, June 6, 2019 on the bulletin board Outside City Hall.

A **JOINT PUBLIC MEETING** of the City Council and Housing Authority is hereby called to meet at 3:00 p.m. on Tuesday, June 11, 2019, in the City Council Chamber, City Hall, 613 E. Broadway, 2nd Floor, Glendale, CA 91206 to consider the following item(s) of business, to wit:

- 1. Director of Community Development, re: Tax Equity and Fiscal Responsibility Act Public Hearing for California Municipal Finance Authority Proposed Issuance of Approximately \$180 Million in Tax Exempt Revenue Bonds in Support of Several Continuing Care Retirement Facilities Throughout California, of which, an Amount Not-to-Exceed \$12 Million Will Be Used for Windsor, a Glendale Continuing Care Retirement Facility Owned and Operated by HumanGood**
 - a. Resolution of the City Council Approving the Issuance of Approximately \$180 Million Tax Exempt Revenue Bond Obligations in Support of Windsor and Certain Other Matters Relating Thereto by the California Municipal Finance Authority

- ADJOURNMENT**
- For the City Council
 - For the Housing Authority



Ardashes Kassakhian, City Clerk

ACKNOWLEDGMENT OF SERVICE

Members of the public may address the City Council and Housing Authority regarding any item in this notice. Service of the above Call for a Joint Public Meeting of the City Council and Housing Authority, at the time and place above designated, is hereby acknowledged, and the Notice required by Government Code Section 54956 is hereby waived:

Hour: _____ a.m./p.m., this _____ day of _____, 20__.

By _____ Title: City Council Member/ Housing Authority Member



CITY OF GLENDALE CALIFORNIA
JOINT REPORT TO THE CITY COUNCIL AND
HOUSING AUTHORITY

June 11, 2019

AGENDA ITEM

Agenda Item: Public Hearing

Tax Equity and Fiscal Responsibility Act Public Hearing for California Municipal Finance Authority Proposed Issuance of Approximately \$180 Million in Tax Exempt Revenue Bonds in Support of Several Continuing Care Retirement Facilities Throughout California, Of Which, An Amount Not to Exceed \$12 Million Will Be Used for Windsor, a Glendale Continuing Care Retirement Facility Owned and Operated by HumanGood.

- (1) Resolution of the City Council of the City of Glendale Approving the Issuance of Approximately \$180 Million Tax Exempt Revenue Bond Obligations in Support of Windsor and Certain Other Matters Relating Thereto by the California Municipal Finance Authority.

AUTHORITY ACTION

Public Hearing [X] Ordinance [] Consent Calendar [] Action Item [] Report Only []
Approved for June 11, 2019 calendar

ADMINISTRATIVE ACTION

Submitted

Philip Lanzafame, Director, Community Development.....

Signature
[Handwritten signature]

Prepared

Peter Zovak, Assistant Director, Community Development

Approved

Yasmin K. Beers, City Manager

[Handwritten signature]

Reviewed

Michael J. Garcia, City Attorney

[Handwritten signature]

RECOMMENDATION

The Community Development Department recommends that the City Council of the City of Glendale (City Council) conduct a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing and approve the issuance of up to approximately \$180 million in Tax Exempt Revenue Bonds in support of Windsor, a Glendale continuing care retirement facility.

SUMMARY

HumanGood, HumanGood NorCal (formerly known as American Baptist Homes of the West), HumanGood SoCal (formerly known as Southern California Presbyterian Homes), HumanGood Fresno (formerly known as The Terraces at San Joaquin Gardens), Redwood Senior Homes and Services and Westminster Gardens, each a California nonprofit public benefit corporation (collectively, the "Borrower"), has applied for the issuance of up to approximately \$180 million in private activity revenue bonds to be issued by California Municipal Finance Authority (CMFA). The proceeds of the bonds will be used: (a) to refund all or a portion of the outstanding \$77,805,000 original principal amount California Statewide Communities Development Authority Senior Living Revenue Bonds, Series 2009 (Southern California Presbyterian Homes) (the "Series 2009 Bonds"), (b) to refund all or a portion of the outstanding \$106,580,000 original principal amount California Statewide Communities Development Authority Revenue Bonds, Series 2010 (American Baptist Homes of the West) (the "Series 2010 Bonds"), (c) in a principal amount not to exceed \$35,000,000, to finance or reimburse the cost of remodeling, renovating, furnishing and equipping certain of the Corporation's continuing care communities located in several jurisdictions throughout the state of California, including in the City of Glendale, (d) to pay a portion of the interest on the Bonds, (e) to provide working capital to the Corporation, (f) to fund a debt service reserve fund, and (g) to pay certain expenses incurred in connection with the issuance of the Bonds.

A portion of the proceeds of the Bonds described above in a principal amount not to exceed \$12,000,000 will be used to finance or refinance expenditures at the following continuing care community owned and operated by the Corporation and located in the City of Glendale: Windsor located at 1230 East Windsor Road, Glendale, California 91205. Windsor is not subject to any affordability covenants or restrictions by the City of Glendale or any other agency. It is a market rate continuing-care retirement facility first opened in 1937.

In order to issue revenue bonds that will be utilized within Glendale city limits, the City Council has been requested to conduct a TEFRA hearing on behalf of HumanGood and CMFA. Section 147 (f) of the Internal Revenue Code of 1986 requires that the local elected public body conduct a public hearing related to the proposed issuance of revenue bonds and that the public be provided an opportunity to present arguments both for and against the issuance of these bonds by CMFA. The City Council has previously conducted TEFRA hearings for city sponsored affordable housing projects as well as privately sponsored projects such as Tobin World, Glendale Adventist Medical Center and most recently, Park Paseo, Maple Park and Casa de la Paloma, the first affordable housing project in Glendale developed by SCPH and the City of Glendale.

The CMFA was created on January 1, 2004 to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 310 municipalities, including the City of Glendale, have

become members of the CMFA. The CMFA is a public entity, separate and apart from each member. The debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of the members.

The bonds to be issued by the CMFA for the proposed project will be the sole responsibility of the borrower, and the City will have no financial, legal, moral obligation, liability or responsibility for the proposed project or the repayment of the bonds for the financing of the proposed project. All financing documents with respect to the issuance of the bonds will contain clear disclaimers that the bonds are not obligations of the City or the State of California but are to be paid for solely from funds provided by the borrower.

The City became a member of the CMFA in August 2012 and the City will in no way become exposed to any financial liability by reason of its membership in CMFA. In addition, participation by the City in CMFA will not impact the City's appropriations limits and will not constitute any type of indebtedness by the City. Outside of holding the TEFRA hearing and adopting the required resolution, no other participation or activity of the City or the City Council with respect to the issuance of the bonds will be required.

FISCAL IMPACT

There is no fiscal impact to the City of Glendale associated with this TEFRA hearing or with the issuance of tax-exempt revenue bonds by the CMFA. The bonds proposed to be issued will be the indebtedness of the Borrower, and the City will not be asked to approve or execute any of the documents relating to the financing.

Through its conduit issuance activities, the CMFA shares a portion of the bond issuance fees it receives with its member communities. With respect to the City of Glendale, it is expected that 25% of the issuance fee, up to approximately \$7,000 will be granted by CMFA to the City. Such grant may be used for any lawful purpose of the City. This revenue will be received by the City after bond issuance and will be deposited into the Housing Authority's Affordable Housing Trust Fund.

BACKGROUND

Southern California Presbyterian Homes

HumanGood is a holding company that serves as the corporate parent to HumanGood NorCal and HumanGood SoCal, each of which are California nonprofit public benefit corporations. Formerly known as American Baptist Homes of the West and Southern California Presbyterian Homes, respectively, HumanGood NorCal and HumanGood SoCal were originally separate organizations with rich histories of serving older adults and their families.

American Baptist Homes of the West began in 1949 with the establishment of Pilgrim Haven Retirement Community (now known as The Terraces at Los Altos) in Los Altos, California. American Baptist Homes of the West's original purpose was to provide quality housing and health care for retired ministers and missionaries but grew quickly to include older people regardless of occupation or religious affiliation. From one community serving nine residents in 1949, American Baptist Homes of the West and its affiliates expanded to 12 life plan communities in five states, including the addition of Judson Park in 1982 and The Terraces of Phoenix in 1998, and 36 affordable housing communities in California and Washington.

Southern California Presbyterian Homes began in 1955 when the leaders of three Southern California presbyteries of the Presbyterian Church recognized the need for communities that would support older adults in their aging journeys. Beginning with the acquisition of properties in La Jolla and Bradbury to serve as the homes to White Sands La Jolla and Royal Oaks, the organization grew to encompass six life plan communities and 27 affordable housing communities throughout California. From 2011 to February 2017, Southern California Presbyterian Homes and its affiliates were branded as “be.group.”

HumanGood, through the previously named be.group, has developed 5 affordable senior housing projects totaling over 400 units in Glendale. The complete listing of those projects are in Table 1 below.

Table 1
SCPH Affordable Senior Projects in Glendale

Casa de la Paloma	167	
Park Paseo	97	
Palmer House	22	
The Gardens	75	
Otto Gruber	40	
Total	401	units

Project Development Team

Underwriter: B.C. Ziegler & Company
Bond Counsel: Chapman and Cutler LLP
Underwriter Counsel: Ballard Spahr LLP
Issuer Counsel: Jones Hall, APLC
Borrower Counsel: Dentons US LLP

CONCLUSION

HumanGood, has applied for the issuance of approximately \$180 million in revenue bonds by CMFA, an amount not to exceed \$12 million of the bonds to be used in support of the financing or refinancing of expenditures for Windsor, a continuing care community, located at 1230 East Windsor Road, Glendale, California 91205.

In order to issue revenue bonds which will be utilized within Glendale, the City of Glendale has been requested to conduct a TEFRA hearing on behalf of HumanGood and CMFA. Section 147 (f) of the Internal Revenue Code of 1986 requires that the local elected public body conduct a public hearing related to the proposed issuance of revenue bonds and that the public be provided an opportunity to present arguments both for and against the issuance of these bonds by CMFA. The City Council has previously conducted TEFRA hearings for city and other privately sponsored projects.

There is no fiscal impact to the City of Glendale associated with this TEFRA hearing or with the issuance of tax exempt revenue bonds by the CMFA. The bonds proposed to be issued will be the indebtedness of the Borrower, and the City will not be asked to approve or execute any of the documents relating to the financing. The bond proceeds will benefit HumanGood and will allow for a financing or refinancing expenditure at the Community.

EXHIBITS

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENDALE
APPROVING THE ISSUANCE OF THE
CALIFORNIA MUNICIPAL FINANCE AUTHORITY
REVENUE BONDS, SERIES 2019 (HUMANGOOD)
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$180,000,000
FOR THE PURPOSE OF FINANCING AND REFINANCING THE ACQUISITION,
CONSTRUCTION, FURNISHING AND EQUIPPING OF WINDSOR
AND CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, humangood, humangood norcal (formerly known as American Baptist Homes of the West), humangood social (formerly known as Southern California Presbyterian Homes), humangood Fresno (formerly known as The Terraces at San Joaquin Gardens), Redwood Senior Homes and Services and Westminster Gardens, each a California nonprofit public benefit corporation (collectively, the "*Corporation*"), has requested that the California Municipal Finance Authority (the "*Authority*") issue bonds in one or more series in an aggregate principal amount not to exceed \$180,000,000 (the "*Bonds*"), the proceeds of which will be used, among other things, (a) in a principal amount not to exceed \$65,000,000, to refund all or a portion of the outstanding \$77,805,000 original principal amount California Statewide Communities Development Authority Senior Living Revenue Bonds, Series 2009 (Southern California Presbyterian Homes) (the "*Series 2009 Bonds*"), (b) in a principal amount not to exceed \$95,000,000, to refund all or a portion of the outstanding \$106,580,000 original principal amount California Statewide Communities Development Authority Revenue Bonds, Series 2010 (American Baptist Homes of the West) (the "*Series 2010 Bonds*"), (c) in a principal amount not to exceed \$35,000,000, to finance or reimburse the cost of remodeling, renovating, furnishing and equipping certain of the Corporation's continuing care communities located in several jurisdictions throughout the state of California, including in the City of Glendale, (d) to pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Corporation, (e) to provide working capital to the Corporation, if deemed necessary or advisable by the Authority or the Corporation, (f) to fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Corporation, and (g) to pay certain expenses incurred in connection with the issuance of the Bonds; and

WHEREAS, a portion of the proceeds of the Bonds in a principal amount not to exceed \$12,000,000 will be used to finance or refinance expenditures at the following continuing care community owned and operated by the Corporation and located in the City of Glendale (the "*City*"): Windsor located at 1230 East Windsor Road, Glendale, California 91205 (the "*Community*"); and

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 City because the Community is located within the territorial limits of the City; and

WHEREAS, the City Council of the City of Glendale (the "*Council*") is the elected legislative body of the City 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 Council understands that its actions in holding the public hearing and in adopting this Resolution do not obligate the City in any manner for payment of the principal, interest, fees or any other costs associated with the issuance of the Bonds, and the Council expressly conditions its approval of the issuance of the Bonds by the Authority by the adoption of this Resolution on this understanding; and

WHEREAS, the Authority has requested that the Council 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 Section 4 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 City; and

WHEREAS, pursuant to Section 147(f) of the Code, the Council 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 COUNCIL OF THE CITY OF GLENDALE, CALIFORNIA:

Section 1. The Council accepts the above recitals as true and correct.

Section 2. The Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Council 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 Community is located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.

Section 3. The officers and employees of the City 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 4. The Council expressly conditions its approval of this Resolution on its understanding that the City shall have no obligation whatsoever to pay any principal, interest, fees or other costs associated with the Authority's issuance of the Bonds.

Section 5. This Resolution shall take effect immediately upon its adoption.

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Adopted by the Council of the City of Glendale on this ____ day of _____, 2019.

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA) SS.
COUNTY OF LOS ANGELES)

I, Ardashes Kassakhian, City Clerk of the City of Glendale, hereby certify that the foregoing Resolution No. _____ was adopted by a majority vote of the Council of the City of Glendale, California, at a regular meeting held on the _____ day of _____, 2019, and that the same was adopted by the following vote:

Ayes:

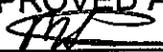
Noes:

Absent:

Abstain:

City Clerk

APPROVED AS TO FORM



Senior Assistant City Attorney
Date 6/5/19