

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

437



FROM: Executive Office

SUBMITTAL DATE:
April 21, 2008

SUBJECT: Southwest Communities Financing Authority

RECOMMENDED MOTION: That the Board (1) Conduct a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 6586.5 of the California Government Code, and at the close of the public hearing: (2) approve Resolution 2008-215 approving the issuance by the Southwest Communities Financing Authority of one or more series of Lease Revenue Bonds with respect to an animal shelter, and (3) approve Resolution 2008-216 authorizing proceedings and agreements relating to the financing of the acquisition and construction of an animal shelter, approving issuance and sale of bonds by the Southwest Communities Financing Authority, approving an Official Statement and authorizing official actions.

BACKGROUND: On December 19, 2006, the Board conducted a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 6586.5 of the California Government Code for the purpose of allowing public input on the public benefit of the financing of an animal shelter by the Southwest Communities Financing Authority (SCFA).
(CONTINUED)

Dean Deines
Deputy County Executive Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 323,800	For Fiscal Year:	N/A

SOURCE OF FUNDS: Construction from Southwest Communities Financing Authority bonds. Debt Service repayment by Member Agencies.	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
Bill Luna

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Dep't Recomm.:
Per Exec. Ofc.:

9.1

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL BY: DATE: 4/23/08
Departmental Concurrence

Southwest Communities Financing Authority

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The County was required to conduct the hearing because the shelter will be built in an unincorporated area of the county and the shelter will be operated by a non-profit organization, Animal Friends of the Valleys. Because the financing of the shelter did not occur within one year of the hearing conducted on December 19, 2006, a second public hearing is required to satisfy the relevant government codes.

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RESOLUTION NO. 2008-215

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE BY THE SOUTHWEST COMMUNITIES FINANCING AUTHORITY OF ONE OR MORE SERIES OF LEASE REVENUE BONDS WITH RESPECT TO AN ANIMAL SHELTER

WHEREAS, the Southwest Communities Financing Authority (the "Authority") has been asked by Animal Friends of the Valley, a California non-profit public benefit corporation ("AFV") to approve a plan of financing for an approximately 32,000 sq. ft. animal shelter located at 33751 Mission Trail, Lake Elsinore, California (the "Project") which would include the issuance of approximately \$18,000,000 aggregate principal amount Lease Revenue Bonds (Animal Shelter Project) in one or more series (the "Bonds"); and

WHEREAS, proceeds of the Bonds, if issued, would provide financing for the acquisition and construction of the Project to be owned by the Authority and operated by AFV; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that the Bonds be approved by the "applicable elected representative" of the governmental unit issuing the Bonds after a noticed public hearing; and

WHEREAS, there has been duly published a notice of public hearing regarding the issuance of the Bonds in accordance with the requirements of Section 147(f) of the Code; and

WHEREAS, the Board of Supervisors of the County of Riverside (the "Board of Supervisors") has conducted a public hearing regarding the issuance of the Bonds; and

WHEREAS, the members of the Board of Supervisors are the applicable elected representatives to approve the issuance of the Bonds for purposes of the Code and determines

1 it to be in the public interest to protect public health and safety by providing an animal shelter
2 for the communities which are members of the Authority; and

3 NOW, THEREFORE, the Board of Supervisors of the County of Riverside resolves as
4 follows:

5 Section 1. The above recitals, and each of them, are true and correct.

6 Section 2. The Board of Supervisors hereby approves the issuance by the Southwest
7 Communities Financing Authority of the Bonds in an aggregate principal amount not to
8 exceed \$18,000,000. This approval is intended to satisfy the requirements of Section 147(f)
9 of the Code.
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11 Section 3. The officers of the County are hereby authorized and directed, jointly and
12 severally, to do any and all things to execute and deliver any and all documents and
13 certificates which they may deem necessary or advisable in order to effectuate the purposes of
14 this resolution; and such actions previously taken by such officers are hereby ratified and
15 confirmed.
16

1 PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of
2 Supervisors of the County of Riverside on April 29, 2008, by the following vote:

3 AYES:

4 NOES:

5 ABSENT:

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7 _____
Chairperson

8 ATTEST:

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10 _____
Clerk of the Board

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15 FORM APPROVED COUNTY COUNSEL

16 BY: David H.K. Huff 4/23/08
DAVID H.K. HUFF DATE

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RESOLUTION NO. 2008-216

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AUTHORIZING PROCEEDINGS AND AGREEMENTS RELATING TO THE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF AN ANIMAL SHELTER, APPROVING ISSUANCE AND SALE OF BONDS BY THE SOUTHWEST COMMUNITIES FINANCING AUTHORITY, APPROVING AN OFFICIAL STATEMENT AND AUTHORIZING OFFICIAL ACTIONS

WHEREAS, the Southwest Communities Financing Authority (the "Authority") is a joint exercise of powers authority formed pursuant to a Joint Exercise of Powers Agreement originally executed by and among the County of Riverside (the "County"), the City of Canyon Lake ("Canyon Lake"), the City of Lake Elsinore ("Lake Elsinore"), the City of Murrieta ("Murrieta"), and the City of Temecula ("Temecula") (and together with the County, Canyon Lake, Lake Elsinore, Murrieta and Temecula, the "Member Agencies"), and authorized under said Agreement and under the laws of the State of California to finance the acquisition and construction of and operation of animal shelters serving its member communities; and

WHEREAS, the County and other Member Agencies have requested that the Authority issue its revenue bonds for the purpose of providing funds to construct the Animal Shelter to be located at 33751 Mission Trail, Lake Elsinore, California (the "Project") which will be owned by the Authority and operated by Animal Friends of the Valleys, a California non-profit public benefit corporation; and

WHEREAS, to provide such financing for the Project the Authority proposes to issue its revenue bonds in an aggregate original principal amount of not to exceed \$18,000,000 (the "Bonds") under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), which are

1 proposed to be payable from lease payments to be paid to the Authority by the County pursuant
2 to a lease agreement relating to the Project (the "Lease Agreement"); and

3 **WHEREAS**, each of the other Member Agencies shall pay lease payments to the County
4 pursuant to separate sub-lease agreements relating to the Project (the "Sublease Agreements");

5 **WHEREAS**, under each separate Sub-Lease Agreement, each member agency will pay
6 its proportionate share of the total lease payment due to the County based upon the prior calendar
7 year's number of animals housed in the Project which were collected in the corporate boundaries
8 of that member agency in relation to the total number of animals housed in the Project; and

9 **WHEREAS**, the proceeds of the Bonds deposited in the Project Fund will be applied by
10 the Authority for the acquisition/construction and installation of the Project pursuant to an
11 Agency Agreement between the Authority and the County; and

12 **WHEREAS**, the Authority has determined that the Bonds should be offered for sale on a
13 negotiated basis by E. J. De La Rosa & Co., Inc. and has presented forms of a Purchase Contract
14 (the "Purchase Contract") and an Official Statement describing the Bonds, to be used in
15 connection with the marketing thereof; and

16 **WHEREAS**, the Board of Supervisors has conducted a noticed public hearing pursuant
17 to Section 6586.5 of the California Government Code and published notice was given in
18 accordance with the terms of the Government Code;

19 **NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the
20 Board of Supervisors of the County of Riverside as follows:

21 **SECTION 1 Findings and Determinations.** The Board of Supervisors finds and
22 determines that it is in the prudent management of the fiscal affairs of the County that the
23 proceeds to be deposited in the Project Fund will be used for the acquisition of the Project.

1 Pursuant to the Act, the Board of Supervisors hereby finds that the issuance of the Bonds
2 by the Authority will result in savings in effective interest rates, underwriting costs and bond
3 insurance costs and thereby result in significant public benefits within Section 6586 of the Act.

4 **SECTION 2 Approval of Bonds.** The Board of Supervisors hereby approves of
5 the issuance of the Bonds by the Authority under and pursuant to the Act provided that the
6 maximum aggregate principal amount of the Bonds shall not exceed \$18,000,000.

7 **SECTION 3 Approval of Financing Documents.** The Board of Supervisors
8 hereby approves each of the following documents in substantially the respective forms on file
9 with the Clerk of the Board of Supervisors, together with such additions thereto and changes
10 therein as the Bond Counsel shall deem necessary, desirable or appropriate, the execution of
11 which by the County Executive Officer or the Deputy County Executive Officer shall be
12 conclusive evidence of the approval of any such additions and changes.

13 (a) the Lease Agreement relating to the lease of the Project by the County from the
14 Authority;

15 (b) the Sublease Agreement relating to the sub-lease by the Member Agencies of the
16 Project from the County;

17 (c) the Agency Agreement, by and between the County and the Authority;

18 (d) the Purchase Contract among the County, the Authority and E.J. de La Rosa &
19 Co., Inc.

20 The County Executive Officer or the Deputy County Executive Officer is hereby
21 authorized and directed to execute, and the Clerk of the Board of Supervisors is hereby
22 authorized and directed to attest and affix the seal of the County to, the final forms of each of the
23 above-mentioned documents for and in the name and on behalf of the County.
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1 **SECTION 4 Sale of Bonds.** The Board of Supervisors hereby approves the sale
2 of the Bonds by the Authority by negotiated sale to De La Rosa & Co.; provided, that the net
3 interest cost for the Bonds shall not be more than 6.25% and the underwriter's discount shall not
4 exceed 1.25% per annum.

5 **SECTION 5 Official Statement and Continuing Disclosure.** The Board of
6 Supervisors approves the preparation of, and hereby authorizes the County Executive Officer and
7 Deputy County Executive Officer to deem final within the meaning of Rule 15c2-12 of the
8 Securities and Exchange Commission except for permitted omissions, a preliminary form of
9 Official Statement describing the Bonds, the form of which is presented to this meeting. The
10 County Executive Officer and Deputy County Executive Officer are hereby directed to provide
11 such necessary certification as to the accuracy and completeness of information pertaining to the
12 County in the Preliminary and Final Official Statement. The Board of Supervisors has reviewed
13 and approved the Continuing Disclosure Agreement and the County Executive Officer and the
14 Deputy County Executive Officer are further authorized to sign the Continuing Disclosure
15 Agreement on behalf of the County in such form as may be approved by the officer executing the
16 same.
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19 **SECTION 6 Official Actions.** The County Executive Officer and Deputy
20 County Executive Officer, the Clerk of the Board of Supervisors and any and all other officers of
21 the County are hereby authorized and directed, for and in the name and on behalf of the County,
22 to do any and all things and take any and all actions, including obtaining a rating on the Bonds
23 and/or a municipal bond insurance policy and a debt reserve fund surety bond, and including
24 execution and delivery of any and all assignments, certificates, requisitions, agreements, notices,
25 consents, instruments of conveyance, warrants and other documents, which they, or any of them,
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1 may deem necessary or advisable in order to consummate the transactions as described herein in
2 connection with the issuance and sale of the Bonds.

3 **SECTION 7** Effective Date. This Resolution shall take effect from and after the
4 date of its passage and adoption.

5 **ADOPTED** this 29th day of April, 2008.

7 _____
8 Chairman,
Riverside County Board of Supervisors

9 ATTEST:

10 _____
11 Clerk,
12 Riverside County Board of Supervisors

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16 FORM APPROVED COUNTY COUNSEL
BY: David H.K. Huff 4/23/08
17 DAVID H.K. HUFF DATE