

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

318



FROM: Economic Development Agency

SUBMITTAL DATE:
November 23, 2009

SUBJECT: Resolution Number 2009-352 authorizing the issuance of Multi-Family Housing Revenue Bond Issue by the California Statewide Communities Development Authority for the Meadowview Apartments II

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing in compliance with Section 147(f) of the Internal Revenue Code for the issuance of private activity tax exempt obligations by the California Statewide Communities Development Authority; and
2. Adopt Resolution Number 2009-352

BACKGROUND: The Board of Supervisors (the "Board") is being asked to adopt a resolution which would approve the issuance of multifamily housing revenue bonds in an amount not to exceed \$6,000,000 by the California Statewide Communities Development Authority ("CSCDA") for the purpose of financing of the acquisition, rehabilitation and development of an 75-unit multifamily rental housing development commonly known as the Meadowview II Apartments, located at 150 East Nuevo Road in the City of Perris, County of Riverside, State of California (the "Project").
(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009 / 2010

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: NO

SOURCE OF FUNDS: PRIVATE ACTIVITY MORTGAGE REVENUE BONDS	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK
DATE: 12/19/09
Departmental Concurrence

Dept't Recomm.:
 Per Exec. Ofc.:
 Policy
 Policy

Prev. Agn. Ref.: _____ **District:** 5 **Agenda Number:** 9.14

November 23, 2009

Page 2

BACKGROUND:

The purpose of the resolution is to allow the financing to meet a requirement of the Internal Revenue Code of 1986. The adoption of this resolution is the first step in the process of financing the proposed Project. Prior to the issuance of bonds the Project will need to receive "private activity bond" allocation from the California Debt Limit Allocation Committee (CDLAC) and CSCDA will be required to adopt a resolution which would approve the execution and delivery of certain bond documents that would reflect the terms of the bonds.

The Internal Revenue Code of 1986 (the "Code") requires that the "applicable elected representatives" of the jurisdiction in which a project to be financed with "private activity bonds" is to be constructed adopt a resolution approving the issuance of such "private activity bonds" after holding a public hearing which has been noticed in a newspaper of general circulation in such jurisdiction. The Board is being asked to hold such public hearing which has been noticed as required by the Code. The proposed resolution would act as the approval by the "applicable elected representatives" with respect to the proposed Project. The CDLAC application for "private activity bond" allocation for a multifamily housing project requires the inclusion of the approval resolution. If the Board adopts this resolution, CSCDA will proceed with the submission to CDLAC of an application for "private activity bond" allocation for the purpose of financing the acquisition and construction of the Project.

As announced in the published notice, this hearing is simply an opportunity for all interested persons to speak or to submit written comments concerning the proposal to issue the debt and the nature or location of the Project. There is no obligation on the part of the Board to respond to any specific comments made or submitted.

The County would not be a party to the financing documents. As set forth in Section 9 of the Amended and Restated Joint Exercise of Powers Agreement of CSCDA, the debt would not be secured by any form of taxation, or by any obligation of either the County or CSCDA. Neither would the debt represent or constitute a general obligation of either the County or CSCDA. Pursuant to the governing California statutes and the JPA Agreement, a member of CSCDA is not responsible for the repayment of obligations incurred by CSCDA. The debt would be payable solely from amounts received pursuant to the terms and provisions of financing agreements to be executed by the Developer of the proposed facility. In the financing documents the Developer will also provide comprehensive indemnification to CSCDA and its members, including the County.