

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

244



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
June 10, 2010

**SUBJECT:** Resolution Number 2010-186, authorizing the issuance of Multi-Family Housing Revenue Bond Issue by the California Statewide Communities Development Authority for the Oakwood Apartments

**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 2010-186.

**BACKGROUND:** The Board of Supervisors (Board) is being asked to adopt a resolution which would approve the issuance of multi-family housing revenue bonds in an amount not to exceed \$27,000,000 by the California Statewide Communities Development Authority (CSCDA) to finance the acquisition, rehabilitation and development of an 241-unit multi-family rental housing development commonly known as the Oakwood Apartments, located at 15168 Perris Boulevard, Moreno Valley, County of Riverside, State of California (Project).

(Continued)

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	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:	09/10

**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:**

APPROVE

County Executive Office Signature BY Jennifer A. Sargent

Prev. Agn. Ref.: N/A

District: 5

Agenda Number: 9.6

FORM APPROVED COUNTY COUNSEL  
 BY MICHELLE CLACK  
 DATE 6/9/10  
 Departmental Concurrence

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

**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 (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 multi-family 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.

RESOLUTION NUMBER 2010-186

APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE OAKWOOD APARTMENTS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized pursuant to the provisions of California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies throughout the State of California, including the County of Riverside (the "County"), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects; and

WHEREAS, One Moreno Valley 240, L.P., a limited partnership or related entities, has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the "Bonds") in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$27,000,000 in outstanding aggregate principal amount, to finance the acquisition, construction and development of a 241-unit multifamily rental housing project located at 15168 Perris Blvd., Moreno Valley, California, generally known as Oakwood Apartments (the "Project") and operated by FPI Management, Inc.; and

WHEREAS, the Bonds or a portion thereof will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the "applicable elected representative" of the governmental units on whose behalf such bonds are expected to be issued and by a governmental unit having

FORM APPROVED COUNTY COUNSEL  
BY: MICHELLE CLACK  
DATE: 6/9/10

1 jurisdiction over the entire area in which any facility financed by such bonds is to be located, after  
2 a public hearing held following reasonable public notice; and

3 WHEREAS, the members of this Board of Supervisors (this "Board of Supervisors") are  
4 the applicable elected representatives of the County; and

5 WHEREAS, there has been published, at least 14 days prior to the date hereof, in a  
6 newspaper of general circulation within the County, a notice that a public hearing regarding the  
7 Bonds would be held on a date specified in such notice; and

8 WHEREAS, such public hearing was conducted on such date, at which time an  
9 opportunity was provided to interested parties to present arguments both for and against the  
10 issuance of the Bonds; and

11 WHEREAS, the Authority is also requesting that the Board of Supervisors approve the  
12 issuance of any refunding bonds hereafter issued by the Authority for the purpose of  
13 refinancing the Bonds which financed the Project (the "Refunding Bonds"), but only in such  
14 cases where federal tax laws would not require additional consideration or approval by the  
15 Board of Supervisors; and

16 WHEREAS, it is intended that this resolution shall constitute the approval of the issuance  
17 of the Bonds required by Section 147(f) of the Code and Section 9 of the Agreement.

18  
19 NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED BY  
20 THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AS FOLLOWS:

21  
22 Section 1. The above recitals are true and correct.

23  
24 Section 2. The Board of Supervisors hereby approves the issuance of the Bonds  
25 and the Refunding Bonds by the Authority. It is the purpose and intent of the Board of  
26 Supervisors that this resolution constitutes approval of the Bonds for the purposes of (a) Section  
27 147(f) of the Code and (b) Section 9 of the Agreement.

1           Section 3.     The Assistant County Executive Officer/EDA or his designee are hereby  
2 authorized and directed, jointly and severally, to do any and all things and to execute and deliver  
3 any and all documents that they deem necessary or advisable in order to carry out, give effect to  
4 and comply with the terms and intent of this resolution and the financing approved hereby.

5  
6           Section 4.     The Clerk of the Board of Supervisors shall forward a certified copy of this  
7 Resolution and a copy of the affidavit of publication of the hearing notice to:

8  
9                             Justin Cooper, Esq.  
10                            Orrick, Herrington & Sutcliffe LLP  
11                            405 Howard Street  
12                            San Francisco, California 94105

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