

112

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



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
March 24, 2011

**SUBJECT:** Resolution No. 2011-060, Approving the Issuance by the California Municipal Finance Authority of Revenue Bonds for the Benefit of Desert Meadows Apartments

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Conduct a public hearing with the Board of Supervisors per Section 147(f) of the Internal Revenue Code of 1986;
2. Adopt Resolution No. 2011-060, declaring the California Municipal Finance Authority intent to issue tax exempt bond obligations for the development of the Desert Meadows Apartments; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2011-060, including, but not limited to, signing subsequent essential and relevant documents.

**BACKGROUND:** (Commences on Page 2)

*Robert Field*

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:	2011/12

**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

BY: *Jennifer L. Sargent*  
Jennifer L. Sargent

County Executive Office Signature

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

Policy ☒  
Policy ☒

Prev. Agn. Ref.: 4.1 of 6/29/10; 9.1 of 6/29/10

District: 4

Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

9.10

## **BACKGROUND:**

The Redevelopment Agency for the County of Riverside is working in partnership with National Community Renaissance of California (whose partners include Desert Meadows Housing Partners, L.P.) in the development of an 80 unit multifamily affordable apartment complex in the unincorporated county (Desert Meadows Apartments). On June 29, 2010, the Redevelopment Agency for the County of Riverside awarded National Community Renaissance \$7,900,000 in Redevelopment Agency Housing Set Aside funds for the construction of Desert Meadows Apartments. The total Project budget is \$22,355,656. Other funding sources include a loan from State of California Department of Housing and Community Development in the amount of \$6,112,655 under the Multifamily Housing Program, a loan from the Federal Home Loan Bank Affordable Housing Program for \$1,000,001, a permanent loan for \$236,000, solar credits in the amount of \$150,000, a deferred developer Fee of \$160,000, and a Limited Partner Tax Credit Equity contribution of \$6,797,000.

In connection with the Limited Partner Tax Credit Equity contribution, the California Municipal Finance Authority proposes to issue tax exempt bonds in an amount not to exceed \$13,500,000 for the development of the Desert Meadows Apartments. The California Municipal Finance Authority is an eligible conduit issuer of tax exempt mortgage revenue bonds.

In order for the interest of the bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended, requires that the governmental unit where the project is located hold a public hearing on the issuance of bonds and approve the issuance of the bonds following such hearing. The California Municipal Finance Authority has requested that the Board approve the issuance of the bonds by the California Municipal Finance Authority in order to satisfy the public approval requirement of section 147(f) of the IRS Code. The California Municipal Finance Authority will be the conduit issuer and the bond will not represent a general obligation of the County of Riverside or Redevelopment Agency for the County of Riverside.

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No. 2011-060.

## **FINANCIAL DATA:**

Not applicable.

## **Attachments:**

Resolution No. 2011-060

Public Notice

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**RESOLUTION NO. 2011-060**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF  
RIVERSIDE PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE  
OF 1986 APPROVING THE ISSUANCE OF BONDS BY THE CALIFORNIA  
MUNICIPAL FINANCE AUTHORITY OF REVENUE BONDS FOR THE BENEFIT  
OF DESERT MEADOWS HOUSING PARTNERS, L.P. (OR AN AFFILIATE  
THEREOF)**

**WHEREAS**, pursuant Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), in order to form the California Municipal Finance Authority (the "Authority") for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

**WHEREAS**, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the acquisition, construction and development of multifamily rental housing projects; and

**WHEREAS**, Desert Meadows Housing Partners, L.P., a California limited partnership (the "Borrower"), has requested that the Authority issue and sell revenue bonds in the maximum principal amount of Thirteen Million Five Hundred Thousand Dollars (\$13,500,000) (the "Bonds") for the purpose of making a loan to the Borrower to enable the Borrower to finance the costs of the acquisition, construction and development of an 80-unit multifamily residential rental project (the "Project") to be located in the County of Riverside (the "County"), California, at 44071 Clinton Street, Indio, California; and

**WHEREAS**, in order for the interest on the Bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that an "applicable

FORM APPROVED COUNTY COUNSEL  
BY: *[Signature]* DATE 3/22/11  
DALE A. GARDNER

1 elected representative” of the governmental unit, the geographic jurisdiction of which contains  
2 the site of facilities to be financed with the proceeds of the Bonds, hold a public hearing on the  
3 issuance of the Bonds and approve the issuance of the Bonds following such hearing; and

4 **WHEREAS**, the Authority has determined that the Board of Supervisors of the County  
5 (the “Board”) is an “applicable elected representative” for purposes of holding such hearing;  
6 and

7 **WHEREAS**, the Authority has requested that the Board approve the issuance of the  
8 Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of  
9 the Code and the requirements of Section 4 of the Agreement; and

10 **WHEREAS**, notice of such public hearing has been duly given as required by the Code,  
11 and this Board has heretofore held such public hearing at which all interested persons were  
12 given an opportunity to be heard on all matters relative to the financing or refinancing of the  
13 Project and the Authority’s issuance of the Bonds therefore; and

14 **WHEREAS**, it is in the public interest and for the public benefit that the Board approve  
15 the issuance of the Bonds by the Authority for the aforesaid purposes;

16 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS**  
17 **OF THE COUNTY OF RIVERSIDE, AS FOLLOWS:**

18 **Section 1.** The above recitals are true and correct.

19 **Section 2.** The Board of Supervisors hereby approves the issuance of the Bonds by  
20 the Authority. It is the purpose and intent of the Board that this resolution constitute approval  
21 of the issuance of the Bonds (a) by the “applicable elected representative” of the governmental  
22 unit having jurisdiction over the area in which the Project is or is to be located in accordance  
23 with Section 147(f) of the Code and (b) by the Board of Supervisors in accordance with  
24 Section 4 of the Agreement.

25 **Section 3.** The issuance of the Bonds shall be subject to the approval of the Authority  
26 of all financing documents relating thereto to which the Authority is a party. The County shall  
27 have no responsibility or liability whatsoever with respect to the Bonds.

28 **Section 4.** The adoption of this resolution shall not obligate the County or any

1 department thereof to (i) provide any financing to acquire, construct or develop the Project or  
2 any refinancing of the Project; (ii) approve any application or request for or take any other  
3 action in connection with any planning approval, permit or other action necessary for the  
4 acquisition, installation or operation of the Project; (iii) make any contribution or advance any  
5 funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority  
6 or its membership therein.

7 **Section 5.** The executing officers and all other proper officers and officials of the  
8 County are hereby authorized and directed to execute such other agreements, documents and  
9 certificates, and to perform such other acts and deeds, as may be necessary or convenient to  
10 effect the purposes of this resolution and the transactions herein authorized.

11 **Section 6.** This resolution shall take effect immediately upon its passage.  
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