

FORM APPROVED COUNTY COUNSEL 3/5/15
 BY: GREGORY P. PRIAMOS DATE

Departmental Concurrence

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

605



FROM: Economic Development Agency

SUBMITTAL DATE:
 April 2, 2015

SUBJECT: Resolution No. 2015-065, Approving the Issuance by the Golden State Finance Authority (formerly known as California Rural Home Mortgage Finance Authority, or CRHMFA Homebuyers Fund) of Tax Exempt Bonds for the Benefit of Las Palmas II Apartments, District 4, [\$0] (Vote on separately)

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. 2015-065, approving the issuance of tax-exempt bonds by the Golden State Finance Authority (formerly known as California Rural Home Mortgage Finance Authority, or CRHMFA Homebuyers Fund) ("Authority") to finance or refinance the acquisition, rehabilitation and equipping of the Las Palmas II Apartments project ("Project"); and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2015-065, including but not limited to, signing subsequent essential and relevant documents.

BACKGROUND: (Commences on Page 2)

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A

Budget Adjustment: No

For Fiscal Year: 2014/15

C.E.O. RECOMMENDATION:

APPROVE

BY:

Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 2/4/97 3.15

District: 4

Agenda Number:

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
Economic Development Agency

FORM 11: Resolution No. 2015-065, Approving the Issuance by the Golden State Finance Authority (formerly known as California Rural Home Mortgage Finance Authority, or CRHMFA Homebuyers Fund) of Tax Exempt Bonds for the Benefit of Las Palmas II Apartments, District 4, [\$0], (Vote on Separately)

DATE: April 2, 2015

PAGE: 2 of 3

BACKGROUND:

Summary

The Board of Supervisors of the County of Riverside (County) is being asked to adopt a resolution which would approve the issuance of multifamily housing revenue bonds by the Golden State Finance Authority (formerly known as California Rural Home Mortgage Finance Authority, or CRHMFA Homebuyers Fund) (the Authority) for the purpose of financing the acquisition and rehabilitation of a multifamily residential housing facility located in the County. The Project is an 81-unit multifamily rental housing project located at 51075 Frederick Street, Coachella, California 92236, and is generally known as Las Palmas II Apartments. 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 the Authority 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 situated, adopt a resolution approving the issuance of such "private activity bonds" after a public hearing has been held which has been noticed in a newspaper of general circulation in such jurisdiction. The Board of Supervisors of the County of Riverside held such public hearing which was 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, or if the resolution has not yet been adopted, an indication of when the approval resolution will be approved. The Authority has submitted to CDLAC an application for "private activity bond" allocation for the purpose of financing the acquisition and rehabilitation of the Project and has advised CDLAC of the proposed date for the public hearing and consideration of the resolution; if the Board of Supervisors adopts this resolution, the Authority will supplement the submission to CDLAC.

The County would not be a party to the financing documents. As set forth in Section 5 (d) of the Amended and Restated Joint Exercise of Powers Agreement of the Authority (BOS 2/4/97 3.15), the debt would not be secured by any form of taxation, or by any obligation of either the County or the Authority. Neither would the debt represent or constitute a general obligation of either the County or the Authority. Pursuant to the governing California statutes and the JPA Agreement, a member or associate member of the Authority is not responsible for the repayment of obligations incurred by the Authority. 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 the Authority and its members and associate members, including the County.

The County's membership in the Authority bears with it no cost or other financing obligation, but serves as a public acknowledgement by the host jurisdiction of the project financing.

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No. 2015-065.

Impact on Citizens and Businesses
(Commences on Page 3)

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

Economic Development Agency

FORM 11: Resolution No. 2015-065, Approving the Issuance by the Golden State Finance Authority (formerly known as California Rural Home Mortgage Finance Authority, or CRHMFA Homebuyers Fund) of Tax Exempt Bonds for the Benefit of Las Palmas II Apartments, District 4, [\$0], (Vote on Separately)

DATE: April 2, 2015

PAGE: 3 of 3

Impact on Citizens and Businesses

The issuance of the bond will provide the opportunity to acquire and rehabilitate an affordable housing project in the City of Coachella. The developer, Highridge Costa Housing Partners, LLC seeks these funds and will syndicate a limited partnership "Las Palmas Coachella AR, L.P." to hold ownership of the project. The project offers no one bedroom, 16 two bedrooms, 33 three bedrooms and 32 four bedroom units with a family demographic and 100% are set aside for households with income at or below 50% to 60% of the area median income. The project amenities include: clubhouse/community room, picnic/barbecue area, tot lot, swimming pool and central laundry facilities. The project has a current and historical occupancy rate of 99% (vacancy 1.09%). The project was placed in service via 9% tax credit financing in 1999. The acquisition and rehabilitation of these units will improve the 15 year old property and continue to offer affordable housing to low income families by an experienced provider.

SUPPLEMENTAL:

Additional Fiscal Information

A fee of \$6,500 has been paid to the County of Riverside to cover the costs of preparing all necessary documents required to conduct the public hearing for the approval of the issuance of tax exempt housing revenue bonds through the Authority.

Attachments:

Resolution No. 2015-065

Public Notice

1 **BOARD OF SUPERVISORS**

COUNTY OF RIVERSIDE

2 **RESOLUTION NO. 2015-065**

3
4 **RESOLUTION OF THE RIVERSIDE COUNTY BOARD OF SUPERVISORS**
5 **APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE**
6 **CODE OF 1986 THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS**
7 **BY THE GOLDEN STATE FINANCE AUTHORITY TO FINANCE THE**
8 **ACQUISITION, REHABILITATION AND EQUIPPING OF A MULTIFAMILY**
9 **HOUSING PROJECT LOCATED WITHIN RIVERSIDE COUNTY.**

10
11 **WHEREAS,** Riverside County (the “County”) is an associate member of the Golden
12 State Finance Authority (formerly known as California Rural Home Mortgage Finance
13 Authority, or CRHMFA Homebuyers Fund), a joint powers authority organized and existing
14 under the laws of the State of California (the “Authority”); and

15 **WHEREAS,** the Authority is authorized, pursuant to the provisions of California
16 Government Code Section 6500 et seq. and the terms of the Amended and Restated Joint
17 Exercise Powers Agreement, originally dated as of July 1, 1993, and as thereafter from time to
18 time amended and restated, among certain local agencies throughout the State of California
19 (the “Agreement”), including the County, to issue its revenue bonds in accordance with
20 Chapter 7 of Part 5 of Division 31 of California Health and Safety Code for the purpose of
21 providing financing for the acquisition, rehabilitation and equipping of multifamily rental
22 housing for persons and families of low or moderate income; and

23 **WHEREAS,** Las Palmas Coachella AR, L.P., a California limited partnership (the
24 “Borrower”) has requested that the Authority issue one or more series of revenue bonds in an
25 aggregate principal amount not to exceed \$4,500,000 (the “Bonds”) and lend the proceeds of
26 the Bonds to the Borrower or related entities for the purpose of financing the costs of
27 acquisition, rehabilitation and equipping of a 81-unit multifamily rental housing project

28 //

FORM APPROVED COUNTY COUNSEL
BY: *Dale A. Gardner* DATE: 5/5/14
DALE A. GARDNER

1 located at 51075 Frederick Street, Coachella, California 92236, Riverside County, generally
2 known as Las Palmas II Apartments (the "Project"); and

3 **WHEREAS**, the Project is located wholly within the County; and

4 **WHEREAS**, the interest on the Bonds may qualify for a federal tax exemption under
5 Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code"), only if the Bonds are
6 approved in accordance with Section 147(f) of the Code; and

7 **WHEREAS**, the issuance of the Bonds by the Authority must be approved by the
8 County because the Project is located within the territorial limits of the County; and

9 **WHEREAS**, the Board of Supervisors of the County (the "Board of Supervisors") is the
10 elected legislative body of the County and is an "applicable elected representative" with
11 respect to the approval of the issuance of the Bonds under section 147(f) of the Code; and

12 **WHEREAS**, the Authority has requested that the Board of Supervisors approve the
13 issuance of Bonds by the Authority in order to satisfy the public approval requirement of
14 section 147(f) of the Code; and

15 **WHEREAS**, pursuant to Section 147(f) of the Code, the Authority caused a notice to
16 appear in a newspaper of general circulation in the County, on March 11, 2015 to the effect
17 that a public hearing would be held with respect to the Project on April 14, 2015 regarding the
18 issuance of the Bonds; and

19 **WHEREAS**, the Board of Supervisors held said public hearing on such date, at which
20 time an opportunity was provided to present arguments both for and against the issuance of
21 the Bonds; and

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

24 SECTION 1. The recitals hereinabove set forth are true and correct, and this Board of
25 Supervisors so finds.

26 SECTION 2. Pursuant to and solely for purposes of Section 147(f) of the Code, the
27 Board of Supervisors hereby approves the issuance of the Bonds by the Authority in one or
28 more series to finance the Project and to reimburse certain costs of the Project incurred no

1 more than 60 days prior to the date of the adoption of this Resolution. It is intended that this
2 Resolution constitute approval of the Bonds by the applicable elected representative of the
3 governmental unit having jurisdiction over the area in which the Project is located in
4 accordance with: (i) said Section 147(f) of the Code; and (ii) Section 6 of the Agreement.

5 SECTION 3. The payment of the principal, prepayment premium, if any, and purchase
6 price of and interest on the Bonds shall be solely the responsibility of the Borrower. The
7 Bonds shall not constitute a debt or obligation of the County.

8 SECTION 4. The adoption of this Resolution shall not obligate the County or any
9 department thereof to (i) provide any financing to acquire or rehabilitate the Project; (ii)
10 approve any application or request for or take any other action in connection with any
11 planning approval, permit or other action necessary for the rehabilitation or operating of the
12 Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv)
13 take any further action with respect to the Authority or its membership therein.

14 SECTION 5. The officers of the County are hereby authorized and directed, jointly and
15 severally, to do any and all things and to execute and deliver any and all documents which
16 they deem necessary or advisable in order to carry out, give effect to and comply with the
17 terms and intent of this Resolution and the financing transaction approved hereby.

18 SECTION 6. The Clerk of the Board is hereby directed to forward a certified copy of
19 this Resolution to the Bond Counsel for the Bonds, addressed as follows:

20 Kathryn P. Peters, Esq.
21 Kutak Rock LLP
22 2300 Main St., Suite 800
23 Kansas City, MO 64108

24 SECTION 7. This Resolution shall take effect immediately upon its passage and
25 adoption.

26 [Remainder of page intentionally left blank]

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28 //

1 THE FOREGOING RESOLUTION is approved and adopted by the Board of
2 Supervisors of the County of Riverside this 14th day of April, 2015, by the following vote:

3 AYES:

4 NOES:

5 ABSENT:

6 ABSTAINING:

7
8
9 _____
10 Marion Ashley, Chairman

11 Board of Supervisors

12
13 **ATTEST:**

14 Kecia Harper-Ihem

15 Clerk of the Board

16
17 _____
18 Deputy

**NOTICE OF PUBLIC HEARING ON ISSUANCE OF
MULTIFAMILY RENTAL HOUSING REVENUE BONDS
FOR LAS PALMAS II APARTMENTS**

NOTICE IS HEREBY GIVEN that the Board of Supervisors of the County of Riverside (the "County"), at its regular meeting on Tuesday, April 14, 2015, will hold a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 with respect to the proposed issuance by the Golden State Finance Authority (formerly known as California Rural Home Mortgage Finance Authority, or CRHMFA Homebuyers Fund) (the "Authority") of multifamily housing revenue bonds (the "Bonds") in one or more series in the maximum principal amount of \$4,500,000, for the purpose of providing funds to finance the acquisition, rehabilitation and equipping of a 81-unit multifamily rental housing project located at 51074 Frederick Street, Coachella, California 92236, Riverside County (the "Project").

The Project is to be owned by Las Palmas Coachella AR, L.P., a California limited partnership (the "Borrower") or related entities, and is generally known as Las Palmas II Apartments.

The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect, thereto will not constitute an indebtedness or an obligation by the Authority, Riverside County, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them, but will be payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower.

The hearing will commence at 9:30 a.m. or as soon thereafter as the matter may be heard, April 14, 2015, and will be held in the Riverside County Administration Center, Board Chambers (First Floor), 4080 Lemon Street, Riverside, California 92501. Interested persons wishing to express their views on either the issuance of the Bonds or the Project will be given an opportunity to do so at the public hearing or may deliver written comments to the Authority prior to the hearing. Written comments should be sent to Clerk of the Board, Kecia Harper-Ihem, 4080 Lemon Street, 1st Floor, Riverside, CA 92501 cob@rcbos.org (951)955-1069.

By: _____

Kecia Harper-Ihem, Clerk of the Board

at: 3:25 pm

Thursday, Mar 5, 2015

Ad #: 0010025850

Order Taker: neller

THE PRESS-ENTERPRISE

Classified Advertising

Proof

1825 Chicago Ave, Suite 100

Riverside, CA 92507

(951) 684-1200

(800) 514-7253

(951) 368-9018 Fax

Account Information

Phone #: 855-740-8422

Name: GOLDEN STATE FINANCE AL

Address: 1215 K STREET, SUITE 1650
SACRAMENTO, CA 95814
USA

Account # 1001087342

Client:

Placed By: Carolyn Holmes

Fax #:

Ad Information

Placement: Legal Liner PE P2W Riverside P2W

Publication: PE Riverside, PE.com

Start Date: 03/11/2015

Stop Date: 03/11/2015

Insertions: 1 print / 1 online

Rate code: Gen Pub Notice-PE-LGL PE Any

Ad type: C Legal

Size: 2.0 X 53 Li

Bill Size: 106.00

Amount Due: **\$212.00**

Ad Copy:

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By: /s/ Kecia Harper-Ihem, Clerk of the Board

3/11/2015

The Desert Sun
750 N Gene Autry Trail
Palm Springs, CA 92262
760-778-4578 / Fax 760-778-4731

Certificate of Publication

**State Of California ss:
County of Riverside**

Advertiser:

GOLDEN STATE FINANCE AUTHORITY
1215 K STREET STE 1650
Sacramento CA 95814

2000569114

I am over the age of 18 years old, a citizen of the United States and not a party to, or have interest in this matter. I hereby certify that the attached advertisement appeared in said newspaper (set in type not smaller than non pariel) in each and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

Newspaper: The Desert Sun

3/7/2015

I acknowledge that I am a principal clerk of the printer of The Desert Sun, printed and published weekly in the City of Palm Springs, County of Riverside, State of California. The Desert Sun was adjudicated a newspaper of general circulation on March 24, 1988 by the Superior Court of the County of Riverside, State of California Case No. 191236.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 7th day of March, 2015 in Palm Springs, California.



Declarant's Signature

No 0323

**NOTICE OF PUBLIC HEARING ON
ISSUANCE OF MULTIFAMILY RENTAL
HOUSING REVENUE BONDS FOR
LAS PALMAS II APARTMENTS**

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By: /s/ Kecia Harper-Ihem, Clerk of the Board
Published: 3/7/15

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By: _____

Kecia Harper-Ihem, County Clerk