

FORM APPROVED COUNTY COUNSEL 3/24/16
 BY: GREGORY P. PRIAMOS DATE

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

331



SUBMITTAL DATE:
 April 14, 2016

FROM: Economic Development Agency

SUBJECT: Adopt Resolution No. 2016-090, Approving the Issuance by the California Municipal Finance Authority of Tax Exempt Bonds for the benefit of Madera Vista Apartments Phase 3 in the City of Temecula, District 3, [\$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. 2016-090, approving the issuance by the California Municipal Finance Authority of tax exempt bonds for the construction of the Madera Vista Apartments Phase 3 project in the City of Temecula; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No.2016-090, including but not limited to, signing subsequent essential and relevant documents.

BACKGROUND: (Commences on Page 2)

Summary

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: 2015/16	

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.:

District: 3

Agenda Number:

9-1

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

Economic Development Agency

FORM 11: Adopt Resolution No. 2016-090, Approving the Issuance by the California Municipal Finance Authority of Tax Exempt Bonds for the benefit of Madera Vista Apartments Phase 3 in the City of Temecula, District 3, [\$0] (Vote on Separately)

DATE: April 14, 2016

PAGE: 2 of 2

BACKGROUND:

Summary

Summerhouse Housing 3, L.P. (Developer) intends to finance the new construction of Madera Vista Apartments Phase 3, formerly Summerhouse Apartments, a 30-unit affordable rental housing development located at 44155 Margarita Road, City of Temecula, County of Riverside, California 92592 with Assessor's Parcel Number 959-080-033. Developer was awarded 7 Housing Choice Voucher Program (HCVP) Project Based Vouchers (PBVs) through a competitive Request for Proposals released by the Housing Authority of the County of Riverside on August 26, 2015. Developer has requested an allocation of \$1,650,000 in Neighborhood Stabilization Program (NSP1) funds to fill a funding gap for the proposed project (to be presented to the Board in separate action). The total project budget is \$9,541,473. Other funding sources include a loan from the City of Temecula for \$721,345, a Citibank loan in the amount of \$1,701,033, a Citibank subordinate loan in the amount of \$900,000, a General Partner Equity/Deferred Developer Fee in the amount of \$790,000 and a Tax Credit Investor Equity Contribution in the amount of \$3,779,095.

In connection with the equity contribution, the California Municipal Finance Authority proposes to issue tax exempt bonds in an amount not to exceed \$7,000,000 for the new construction of Madera Vista Apartments Phase 3. The California Municipal Finance Authority is an eligible conduit issuer of tax exempt housing 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 government 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 will be the conduit issuer and the bond will not represent an obligation of the County of Riverside or the Economic Development Agency for the County of Riverside.

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No. 2016-090.

Impact on Citizens and Businesses

Developer will have a positive impact on Citizens and Businesses as it provides housing and supportive services for veterans as well as creates jobs for local residents.

SUPPLEMENTAL:

Additional Fiscal Information

Developer has paid the County of Riverside \$6,500 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 California Municipal Finance Authority.

Attachments:

- A. Resolution No. 2016-090
- B. Public Notice

Attachment A

Resolution 2016-090

[BEHIND THIS PAGE]

**RESOLUTION 2016-090
APPROVING THE ISSUANCE OF TAX EXEMPT BONDS
BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY
FOR SUMMERHOUSE HOUSING 3, L.P., OR ANOTHER RELATED ENTITY,
WITH RESPECT TO THE MADERA VISTA APARTMENTS PHASE 3 RENTAL PROJECT**

WHEREAS, Summerhouse Housing 3, L.P., or an entity related thereto (the "Borrower") intends to construct a 30-unit affordable rental housing development (the "Project") to be located at 44155 Margarita Road, City of Temecula, County of Riverside, California 92592 with Assessor's Parcel Number 959-080-033, and has requested the California Municipal Finance Authority (the "Authority") to adopt a plan of financing providing for the issuance and sale of revenue bonds (the "Bonds") in the not-to-exceed amount of \$7,000,000, the proceeds of which shall be used for the purpose of making a loan to the Borrower to finance the construction of the Project, and to pay certain expenses incurred in connection with the issuance of the Bonds;

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986 (the "Code") requires that the "applicable elected representative" with respect to the Project to approve the issuance of the Bonds with respect to the Project after a public hearing has been held concerning the issuance and delivery of the Bonds with respect to the Project;

WHEREAS, the Board of Supervisors of the County of Riverside (the "Board of Supervisors") is the elected legislative body of the County of Riverside (the "County") and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Code;

WHEREAS, the Authority has requested that the Board of Supervisors approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement, dated as of January 1, 2004 (the "Agreement"), among certain local agencies, including the County; and

WHEREAS, pursuant to Section 147(f) of the Code, the Board of Supervisors has, following notice duly given, held a public hearing regarding the issuance of the Bonds at which

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 5/24/16
DATE

1 all those interested in speaking with respect to the financing of the Project were heard, and now
2 desires to approve the issuance of the Bonds by the Authority, as provided below.

3 **BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Supervisors for the
4 County of Riverside, State of California, in regular session assembled on April 26, 2016, as
5 follows:

- 6 1) That the Board of Supervisors hereby finds and declares that the above recitals are true
7 and correct and incorporated as though set forth herein.
- 8 2) The Board of Supervisors hereby approves the issuance of the Bonds with respect to
9 the Project by the Authority. It is the purpose and intent of the Board of Supervisors that
10 this resolution constitute approval of the issuance of the Bonds by the Authority only for
11 the purposes of (i) Section 147(f) of the Code by the applicable elected representative
12 of the governmental unit having jurisdiction over the area in which the Project will be
13 located, in accordance with said Section 147(f), and (ii) Section 4 of the Agreement.
- 14 3) The issuance and delivery of the Bonds shall be subject to the approval of and
15 execution by the Authority of all financing documents relating thereto to which the
16 Authority is a party and subject to the sale of the Bonds by the Authority.
- 17 4) The payment of the principal, prepayment premium, if any, and purchase price of and
18 interest on the Bonds shall be solely the responsibility of Borrower. The Bonds shall not
19 constitute a debt or obligation of the County.
- 20 5) The officers of the County are hereby authorized and directed, jointly and severally, to
21 do any and all things and to execute and deliver any and all documents which they deem
22 necessary or advisable in order to carry out, give effect to and comply with the terms and
23 intent of this resolution and the financing transaction approved hereby.
- 24 6) This Resolution shall take effect from and after the date of its passage and adoption.

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THE FOREGOING RESOLUTION is approved and adopted by the Board of Supervisors
of the County of Riverside this _____ day of _____, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

Attachment B

Public Notice

[BEHIND THIS PAGE]

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

**PROOF OF PUBLICATION
(2010, 2015.5 C.C.P)**

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.:

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

04/10/2016

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: Apr 10, 2016

At: Riverside, California


Legal Advertising Representative, The Press-Enterprise

ORRICK PUBLIC FINANCE
405 HOWARD STREET
SAN FRANCISCO, CA 94105

Ad Number: 0010153856-01

P.O. Number:

Ad Copy:

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Tuesday, April 26, 2016, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 will be held with respect to the proposed issuance by the California Municipal Finance Authority (the "Authority") of its revenue 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, in an amount not to exceed \$7,000,000 (the "Bonds"). The proceeds of the Bonds will be used to: (1) finance or refinance the acquisition, construction, improvement and equipping of Madera Vista Phase 3, a 30-unit multifamily rental housing project located at 44155 Margarita Road, Temecula, County of Riverside, California; and (2) pay certain expenses incurred in connection with the issuance of the Bonds. The facilities are to be owned by Summerhouse Housing 3, L.P. (the "Borrower") or a partnership created by BRIDGE Housing Corporation (the "Developer"), consisting at least of the Developer or a related person to the Developer and one or more limited partners and operated by BRIDGE Property Management Company.

The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the County, the Authority, 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. The Bonds shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower.

The hearing will commence at 9:00 a.m. or as soon thereafter as the matter can be heard, and will be held in the Board Chambers, County Administrative Center, 4080 Lemon Street, 1st Floor, Riverside, California. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed or refinanced may attend the public hearing or, prior to the time of the hearing, submit written comments.

Additional information concerning the above matter may be obtained from, and written comments should be addressed to, Mervyn Manalo, 5555 Arlington Avenue, Riverside, California 92504, or by telephone at (951) 343-5495.

Dated: April 10, 2016