

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

762



FROM: Economic Development Agency

SUBMITTAL DATE:
 May 12, 2016

SUBJECT: Resolution No. 2016-112, Approving the Issuance by the California Statewide Communities Development Authority of Private Activity Bonds for the benefit of Hemet Vistas Apartments, 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. 2016-112, approving the issuance by the California Statewide Communities Development Authority of private activity bonds for the acquisition and rehabilitation of Hemet Vistas Apartments; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2016-112, including but not limited to, signing subsequent essential and relevant documents.

BACKGROUND: (Commences on Page 2)

Summary

[Signature]

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: *[Signature]*
 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: Resolution No. 2016-112, Approving the Issuance by the California Statewide Communities Development Authority of Private Activity Bonds for the Benefit Hemet Vistas Apartments, District 3, [\$0] (Vote on Separately)

DATE May 12, 2016

PAGE: 2 of 3

BACKGROUND:

Summary

The Board of Supervisors of the County of Riverside (County) is asked to adopt a resolution which would approve the issuance of private activity bonds by the California Statewide Communities Development Authority (the Authority) for the purpose of financing the acquisition and rehabilitation of a multi-family residential housing facility located in the County, in an amount not to exceed \$13,000,000. The project is a 144 unit multi-family rental housing project located at West 225 Fruitvale Avenue, Hemet, CA 92543, and is generally known as Hemet Vistas Apartments (Project). The Project is to be acquired and rehabilitated by Hemet Vistas 1&2R Partners, L.P., a Partnership created by D.L. Horn & Associates, LLC (Developer). 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 a "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 is 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. On May 24, 2016 the Board of Supervisors of the County of Riverside will hold such public hearing which was noticed as required by the Code. The proposed resolution will 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 approved resolution, or if the resolution has not yet been adopted, an indication of when the 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 the resolution, the Authority will supplement the submission to CDLAC.

The County will not be a party to the financing documents. As set forth in the Amended and Restated Joint Exercise of Powers Agreement (JPA) of the Authority (BOS 4/23/96 3.4), the debt will 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 amount 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 acknowledgment by the host jurisdiction of the project financing.

(Continued)

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

FORM 11: Resolution No. 2016-112, Approving the Issuance by the California Statewide Communities Development Authority of Private Activity Bonds for the Benefit Hemet Vistas Apartments, District 3, [\$0] (Vote on Separately)

DATE May 12, 2016

PAGE: 3 of 3

BACKGROUND: (Continued)

Summary

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No 2016-112.

Impact on Citizens and Businesses

The issuance of the bond will provide the Developer an opportunity to acquire and rehabilitate Hemet Vistas Apartments, an affordable housing project in the City of Hemet. The units are currently rented and will continue to be rented to households whose incomes do not exceed 60% of the Area Median Income for the County of Riverside.

SUPPLEMENTAL:

Additional Fiscal Information

The 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 private activity bonds through the California Statewide Communities Development Authority.

Attachments:

Resolution No. 2016-112

Public Notice

RESOLUTION NO. 2016-112

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE HEMET VISTAS 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, Hemet Vistas 1&2R Partners, L.P. or a partnership created by D.L. Horn & Associates, LLC (the "Developer"), consisting at least of the Developer or a related person to the Developer and one or more limited partners, 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 \$13,000,000 in outstanding aggregate principal amount, to finance the acquisition and rehabilitation of a 144-unit multifamily rental housing project located at 225 West Fruitvale Avenue, Hemet, California, generally known as Hemet Vistas Apartments (the "Project") and operated by ConAm Management Corporation; and

FORM APPROVED COUNTY COUNSEL

BY: DALE A. GARDNER 5/4/16

DATE

1 WHEREAS, the Bonds or a portion thereof will be "private activity bonds"
2 for purposes of the Internal Revenue Code of 1986 (the "Code"); and
3

4 WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance,
5 private activity bonds are required to be approved by the "applicable elected
6 representative" of the governmental units on whose behalf such bonds are expected to
7 be issued and by a governmental unit having jurisdiction over the entire area in which
8 any facility financed by such bonds is to be located, after a public hearing held following
9 reasonable public notice; and
10

11 WHEREAS, the members of this Board of Supervisors (this "Board of
12 Supervisors") are the applicable elected representatives of the County of Riverside (the
13 "County"); and
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15 WHEREAS, there has been published, at least 14 days prior to the date
16 hereof, in a newspaper of general circulation within the County, a notice that a public
17 hearing regarding the Bonds would be held on a date specified in such notice; and
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19 WHEREAS, such public hearing was conducted on such date, at which
20 time an opportunity was provided to interested parties to present arguments both for and
21 against the issuance of the Bonds; and
22

23 WHEREAS, the Authority is also requesting that the Board of Supervisors
24 approve the issuance of any refunding bonds hereafter issued by the Authority for the
25 purpose of refinancing the Bonds which financed the Project (the "Refunding Bonds"),
26 but only in such cases where federal tax laws would not require additional consideration
27 or approval by the Board of Supervisors; and
28

1 WHEREAS, it is intended that this resolution shall constitute the approval
2 of the issuance of the Bonds required by Section 147(f) of the Code and Section 9 of the
3 Agreement;

4
5 NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
6 SUPERVISORS OF THE COUNTY OF RIVERSIDE AS FOLLOWS:

7
8 Section 1. The above recitals are true and correct.

9
10 Section 2. The Board of Supervisors hereby approves the issuance of
11 the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the
12 Board of Supervisors that this resolution constitute approval of the Bonds for the
13 purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

14
15 Section 3. The officers of the County are hereby authorized and
16 directed, jointly and severally, to do any and all things and to execute and deliver any
17 and all documents that they deem necessary or advisable in order to carry out, give
18 effect to and comply with the terms and intent of this resolution and the financing
19 approved hereby.

20
21 Section 4. This resolution shall take effect immediately upon its
22 passage.

1 THE FOREGOING RESOLUTION is approved and adopted by the Board
2 of Supervisors of the County of Riverside this 24th day of May, 2016, by the following
3 vote:

4 AYES:

5 NOES:

6 ABSENT:

7 ABSTAINING:

8
9
10 _____
John J. Benoit, Chairman

11 Board of Supervisors
12

13 ATTEST:

14 Kecia Harper-Ihem

15 Clerk of the Board
16

17 _____
18 Deputy
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NOTICE OF PUBLIC HEARING
REGARDING ISSUANCE OF
MULTIFAMILY HOUSING REVENUE BONDS FOR
HEMET VISTAS APARTMENTS

NOTICE IS HEREBY GIVEN that, at 9:00 a.m., or as soon thereafter as the matter can be heard, on Tuesday, May 24, 2016, at the Board Chambers, 4080 Lemon Street, 1st Floor, Riverside, California, the Board of Supervisors of the County of Riverside (the "County") will conduct a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, at which it will hear and consider information concerning a proposed plan of financing providing for the issuance by the California Statewide Communities Development Authority of multifamily housing 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, and at no time to exceed \$13,000,000 in outstanding aggregate principal amount, to finance the acquisition and rehabilitation of a 144-unit multifamily rental housing project located at 225 West Fruitvale Avenue, Hemet, California. The facilities are to be owned by Hemet Vistas 1&2R Partners, L.P. (the "Borrower") or a partnership created by D.L. Horn & Associates, LLC (the "Developer"), consisting at least of the Developer or a related person to the Developer and one or more limited partners, operated by ConAm Management Corporation, and are generally known as Hemet Vistas Apartments (the "Project").

Those wishing to comment on the proposed financing and the nature and location of the Project may either appear in person at the public hearing or submit written comments, which must be received by the County prior to the hearing. Written comments should be sent to County of Riverside at 4080 Lemon Street, 1st Floor, Riverside California 92501, Attention: Clerk of the Board of Supervisors.

Dated: May 10, 2016