

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



112

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

FINANCIAL DATA	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*

County Executive Office Signature Jennifer L. Sargent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone and Benoit
Nays: None
Absent: Ashley
Date: April 5, 2011
xc: EDA

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

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

District: 4

Agenda Number:

9.10

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: *Dalea Gardner* DATE: 3/22/11
DALEA GARDNER Departmental Concurrence

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

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 Dale A. Gardner DATE 3/22/11
DALE A. GARDNER DATE

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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13 ROLL CALL:

14 Ayes: Buster, Tavaglione, Stone, and Benoit
15 Nays: None
16 Absent: Ashley

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18 The foregoing is certified to be a true copy of a resolution duly
19 adopted by said Board of Supervisors on the date therein set forth.

20 KECIA HARPER-IHEM, Clerk of said Board

21 By: _____
22 Deputy

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**THE
PRESS-
ENTERPRISE**

**CLASSIFIED
ADVERTISING**

PROOF

Printed by: Tinajero, Maria
at: 1:01 pm
on: Thursday, Mar 17, 2011

Ad #: 10589609

3450 Fourteenth St.
Riverside, CA 92501-3878
1-800-880-0345
951-684-1200
951-368-9018 Fax

Account Information

Phone #: (951) 955-0348
Name: WDC/EDA CO OF RIVERSIDE
Address: 3133 MISSION INN AVE

RIVERSIDE CA 92507

Acct #: 300444
Client:
Placed by: Juan Garcia
Fax #: (951) 955-4696

Ad Copy:

PUBLIC NOTICE
COUNTY OF RIVERSIDE
NOTICE OF PUBLIC HEARING
REGARDING ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS
FOR DESERT MEADOWS APARTMENTS

Bob Buster, Chairman
Riverside County Board of Supervisors
County Administrative Center
4080 Lemon Street, 5th Floor
Riverside, California 92501
(951) 955-3421

NOTICE IS HEREBY GIVEN that, at 9:00 a.m., or as soon thereafter as the matter can be heard, on Tuesday, April 5, 2011, in the Board Chambers at 4080 Lemon Street, First 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 Municipal Finance 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 \$13,500,000 in outstanding aggregate principal amount, to finance the acquisition and construction of an 80-unit multifamily rental housing project, generally located at 44071 Clinton Street, Indio, California (unincorporated Riverside County), to be known as Desert Meadows Apartments (the "Project"). The Project will be owned and operated by Desert Meadows Housing Partners, L.P., a California limited partnership, or related entities.

At least 68 units of the Project are required to be available for occupancy by persons or families whose income does not exceed 50 percent of the percent of the area median income for the County adjusted by family size.

ALL PERSONS HAVING ANY INFORMATION RELEVANT TO THE PROPOSED ISSUANCE OF THE BONDS DESCRIBED ABOVE ARE HEREBY INVITED TO APPEAR AT THE TIME AND PLACE MENTIONED ABOVE TO PRESENT SUCH INFORMATION TO THE BOARD OF SUPERVISORS.

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 Juan Garcia, Senior Development Specialist, at the offices of the County of Riverside Economic Development Agency at 3403 Tenth St., Suite 500, Riverside, CA 92501, or by telephone at (951) 955-3418. 3/20, 27

Ad Information

Classification: Legals
Publications: Press-Enterprise

Start date: 03-20-11
Stop date: 03-27-11
Insertions: 2

Rate code: LE-County
Ad type: Ad Liner
Taken by: Tinajero, Maria

Size: 2x64.790
Bill size: 130.00x 5.14 agate lines

Amount due: **\$325.00**