

FORM APPROVED COUNTY COUNSEL 4/29/15
 BY: GREGORY P. PRIAMOS DATE

Departmental Concurrence

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

905



SUBMITTAL DATE:
 May 9, 2015

FROM: Economic Development Agency

SUBJECT: Resolution No. 2015-009, Approving the Issuance by the California Statewide Communities Development Authority of Tax Exempt Bonds for the Benefit of Cottonwood Place I Apartments, District 5, [\$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. 2015-009, approving the issuance of tax-exempt bonds by the California Statewide Communities Development Authority (Authority) to finance or refinance the acquisition, rehabilitation and equipping of the Cottonwood Place I Apartments (Project); and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2015-009, 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	
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>

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

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

Ayes: Washington, Benoit and Ashley
 Nays: None
 Absent: Jeffries and Tavaglione
 Date: May 19, 2015
 xc: EDA, Bond Counsel

Kecia Harper-Ihem
 Clerk of the Board
 By:
 Deputy

Prev. Agn. Ref.: 4/23/96 3.4 | District: 5 | Agenda Number:

9-1

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

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

Economic Development Agency

FORM 11: Resolution No. 2015-009, Approving the Issuance by the California Statewide Communities Development Authority of Tax Exempt Bonds for the Benefit of Cottonwood Place I Apartments, District 5, [\$0], (Vote on Separately)

DATE: May 7, 2015

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 multifamily housing revenue bonds by the California Statewide Communities Development Authority (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 109-unit multifamily rental housing project located at 24115 Cottonwood Avenue, Moreno Valley, California 92553, and is generally known as Cottonwood Place I 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 will submit to CDLAC an application for "private activity bond" allocation for the purpose of financing the acquisition and rehabilitation of the Project and will advise 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 8 of the Amended and Restated Joint Exercise of Powers Agreement of the Authority (BOS 4/23/96 3.4), 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. 2015-009.

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. 2015-009, Approving the Issuance by the California Statewide Communities Development Authority of Tax Exempt Bonds for the Benefit of Cottonwood Place I Apartments, District 5, [\$0], (Vote on Separately)

DATE: May 7, 2015

PAGE: 3 of 3

Impact on Citizens and Businesses

The issuance of the bond will provide the developer, Palm Communities, an opportunity to acquire and rehabilitate Cottonwood Place I Apartments, an affordable housing project in the City of Moreno Valley. The developer seeks these funds and will syndicate a California limited partnership "Moreno Valley Cottonwood I Partners, LP" to hold ownership of the project. The funds will be requested from the Authority by Moreno Valley Cottonwood I Partners LP, as "Borrower". The Authority is asked to issue one or more series of revenue bonds in an aggregate principal amount not to exceed \$10,000,000 (the Bonds) and lend the proceeds of the Bonds to the Borrower or related entities for the purpose of financing the costs of acquisition, rehabilitation and equipping of the Project.

The Project offers 54 three-bedroom apartment units and 54 four-bedroom apartment units with a family demographic. The units are 100% set aside for households at or below 50% of the area median income. Project amenities include carports, community room, swim pool, exercise room, picnic area, playground, basketball, laundry room, computer room, and gated perimeter. The project was placed in service via 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. 2015-009

Public Notice

1 **BOARD OF SUPERVISORS**

COUNTY OF RIVERSIDE

2 **RESOLUTION NO. 2015-009**

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 CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT**
8 **AUTHORITY TO FINANCE THE ACQUISITION, REHABILITATION AND**
9 **EQUIPPING OF A MULTIFAMILY HOUSING PROJECT LOCATED WITHIN**
10 **RIVERSIDE COUNTY.**

11
12 **WHEREAS**, Riverside County (the "County") is an associate member of the California
13 Statewide Communities Development Authority, a joint powers authority organized and
14 existing 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 of Powers Agreement, originally dated as of November 18, 1987, and as thereafter
18 from time to time amended and restated, among certain local agencies throughout the State of
19 California (the "Agreement"), including the County, to issue its revenue bonds in accordance
20 with Chapter 7 of Part 5 of Division 31 of California Health and Safety Code for the purpose
21 of 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**, Moreno Valley Cottonwood I Partners LP, a California limited partnership
24 (the "Borrower") has requested that the Authority issue one or more series of revenue bonds in
25 an aggregate principal amount not to exceed \$10,000,000 (the "Bonds") and lend the proceeds
26 of the Bonds to the Borrower or related entities for the purpose of financing the costs of
27 acquisition, rehabilitation and equipping of a 109-unit multifamily rental housing project

FORM APPROVED COUNTY COUNSEL
BY *Wesley Gardner* DATE 4/28/15

1 located at 24115 Cottonwood Avenue, Moreno Valley, California 92553, Riverside County,
2 generally known as Cottonwood Place I 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 _____, 2015 to the
17 effect that a public hearing would be held with respect to the Project on May 19, 2015
18 regarding the 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 9 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 Justin Cooper, Esq.
21 Orrick, Herrington & Sutcliffe LLP
22 405 Howard Street
23 San Francisco, California 94105

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

26 [Remainder of page intentionally left blank]

27 //

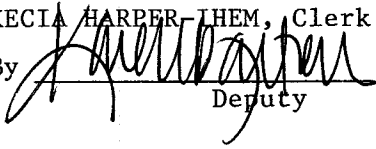
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THE FOREGOING RESOLUTION is approved and adopted by the Board of Supervisors of the County of Riverside this 19th day of May, 2015, by the following vote:

- AYES: Washington, Benoit and Ashley
- NOES: None
- ABSENT: Jeffries and Tavaglione
- ABSTAINING: None

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

KECIA HARPER-HEM, Clerk of said Board
By  Deputy

**NOTICE OF PUBLIC HEARING ON ISSUANCE OF
MULTIFAMILY RENTAL HOUSING REVENUE BONDS
FOR COTTONWOOD PLACE APARTMENTS PHASE I**

NOTICE IS HEREBY GIVEN that the Board of Supervisors of the County of Riverside (the "County"), at its regular meeting on Tuesday, May 19, 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 California Statewide Communities Development Authority (the "Authority") 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 \$10,000,000 for the purpose of providing funds to finance the acquisition, rehabilitation and equipping of a 109-unit multifamily rental housing project located at 24115 Cottonwood Avenue, Moreno Valley, California, Riverside County (the "Project").

The Project is to be owned by Moreno Valley Cottonwood I Partners LP, a California limited partnership (the "Borrower") or related entities, operated by ConAm Management Corporation and is generally known as Cottonwood Place Apartments Phase I.

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, May 19, 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 reference BOS Agenda 05.19.2015 Resolution 2015-009 and 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

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.: / Cottonwood Place Phase I

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, under date of February 4, 2013, Case Number RIC 1215735, under date of July 25, 2013, Case Number RIC 1305730, 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,

04/28/2015

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

Date: April 28, 2015
At: Riverside, California



ORRICK, HERRINGTON, & SUTCLIFFE LLP
405 HOWARD ST
SAN FRANCISCO, CA 94105

Ad Number: 0010040518-01

P.O. Number: Cottonwood Place Phase I

Ad Copy:

NOTICE OF PUBLIC HEARING ON ISSUANCE OF MULTIFAMILY RENTAL HOUSING REVENUE BONDS FOR COTTONWOOD PLACE APARTMENTS PHASE I

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By: Kecia Harper-Ihem, Clerk of the Board

4/28/2015