

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

728



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
October 29, 2015

**SUBJECT:** Resolution No. 2015-017, Approving the Issuance by the California Municipal Finance Authority of Tax Exempt Bonds for the Benefit of Rancho California 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. 2015-017, approving the issuance of tax-exempt bonds by the California Municipal Finance Authority to finance or refinance the acquisition, rehabilitation and equipping of the Rancho California Apartments project; and
3. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement Resolution No. 2015-017, 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**

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

Ayes: Jeffries, Washington, Benoit and Ashley  
Nays: None  
Absent: Tavaglione  
Date: November 10, 2015  
xc: EDA

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

Prev. Agn. Ref.: 9.4 (2/5/2013), 9.3  
(12/9/2014)

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. 2015-017, Approving the Issuance by the California Municipal Finance Authority of Tax Exempt Bonds for the Benefit of Rancho California Apartments, District 3, [\$0] (Vote on Separately)

**DATE:** October 29, 2015

**PAGE:** 2 of 2

**BACKGROUND:**

**Summary**

Rancho California LP (whose partners include Thomas Safran & Associates and Housing Corporation of America, a California nonprofit corporation), a California limited partnership, intends to finance or refinance the acquisition, rehabilitation and improvement of a 55-unit multifamily housing rental development located at 29210 Stonewood Road, Temecula, California (Rancho California Apartments). The total Project budget is \$16,040,257. Other funding sources include a Citibank – Settlement Debt in the amount of \$1,650,000, a Deferred Developer Fee of \$831,957, a Net Operating Income (NOI) during construction, and a Limited Partner Tax Credit Equity contribution of \$4,838,848.

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 \$12,000,000 for the acquisition, rehabilitation and improvement of the Rancho California 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 of Supervisors 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 an obligation of the County of Riverside or the Economic Development Agency for the County of Riverside. A public hearing was previously held by the Riverside County Board of Supervisors on December 9, 2014, however due to underwriting delays for other funding sources the resolution has expired.

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval of Resolution No. 2015-017.

**Impact on Citizens and Businesses**

The rehabilitation of Rancho California Apartments will have a positive impact on citizens and businesses as it provides adequate housing to the community as well as creates jobs for local residents.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

Rancho California LP 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:**

Resolution No. 2015-017

Public Notice

RESOLUTION NO. 2015-017

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF  
RIVERSIDE APPROVING THE ISSUANCE OF TAX EXEMPT BONDS BY THE  
CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE OF  
FINANCING THE ACQUISITION, REHABILITATION, IMPROVEMENT AND  
EQUIPPING OF CERTAIN FACILITIES FOR THE BENEFIT OF RANCHO  
CALIFORNIA L.P., A CALIFORNIA LIMITED PARTNERSHIP**

WHEREAS, Rancho California L.P., a California limited partnership, or an entity related thereto (the "Borrower") intends to acquire and rehabilitate a 55-unit multifamily rental housing development (the "Project") to be located at 29210 Stonewood Road, Temecula, County of Riverside, California, 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 \$12,000,000, 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; and

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; and

WHEREAS, the Board of Supervisors of the County of Riverside (the "Board of Supervisors") is the elected legislative body of 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; and

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,

FORM APPROVED COUNTY COUNSEL  
BY DALE A. GARDNER DATE 10/2/15

1 including the County; and

2 WHEREAS, pursuant to Section 147(f) of the Code, the Board of Supervisors has,  
3 following notice duly given, held a public hearing regarding the issuance of the Bonds at which  
4 all those interested in speaking with respect to the financing of the Project were heard, and now  
5 desires to approve the issuance of the Bonds by the Authority, as provided below;

6 NOW, THEREFORE, be it resolved by the Board of Supervisors of the County of  
7 Riverside, as follows:

8  
9 Section 1. The Board of Supervisors hereby finds and determines that the foregoing  
10 recitals are true and correct.

11 Section 2. The Board of Supervisors hereby approves the issuance of the Bonds with  
12 respect to the Project by the Authority. It is the purpose and intent of the Board of Supervisors  
13 that this resolution constitute approval of the issuance of the Bonds by the Authority only for the  
14 purposes of (i) Section 147(f) of the Code by the applicable elected representative of the  
15 governmental unit having jurisdiction over the area in which the Project will be located, in  
16 accordance with said Section 147(f), and (ii) Section 4 of the Agreement.

17 Section 3. The issuance and delivery of the Bonds shall be subject to the approval of  
18 and execution by the Authority of all financing documents relating thereto to which the Authority  
19 is a party and subject to the sale of the Bonds by the Authority.

20 Section 4. The payment of the principal, prepayment premium, if any, and purchase  
21 price of and interest on the Bonds shall be solely the responsibility of Borrower. The Bonds shall  
22 not constitute a debt or obligation of the County.

23  
24 Section 5. The officers of the County are hereby authorized and directed, jointly and  
25 severally, to do any and all things and to execute and deliver any and all documents which they  
26 deem necessary or advisable in order to carry out, give effect to and comply with the terms and  
27 intent of this resolution and the financing transaction approved hereby.

28 Section 6. The Clerk shall forward a certified copy of this Resolution to the Authority

1 in care of its counsel:

2 Ronald E. Lee, Esq.

3 Jones Hall, A Professional Law Corporation

4 475 Sansome Street, Suite 1700

5 San Francisco, CA 94111

6  
7 Section 7. This Resolution shall take effect from and after the date of its passage and  
8 adoption.

9 \*\*\*\*\*

10  
11 THE FOREGOING RESOLUTION is approved and adopted by the Board of  
12 Supervisors of the County of Riverside this 10th day of November, 2015, by the  
13 following vote:

14 ROLL CALL:

15 Ayes: Jeffries, Washington, Benoit and Ashley  
16 Nays: None  
17 Absent: Tavaglione

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

Printed at: 12:14 pm  
On: Friday, Oct 16, 2015

Ad #: 0010101796  
Order Taker: kgribbin

# THE PRESS-ENTERPRISE

## Classified Advertising Receipt

1825 Chicago Ave, Suite 100  
Riverside, CA 92507  
(951) 684-1200  
(800) 514-7253  
(951) 368-9018 Fax

Date	Payment#	Type	Payment Information Card Holder	Exp.	Approval	Amount
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Total Payments: 0.00

Gross price: \$216.00

Net price: \$216.00

Total Payments: \$0.00

Amount Due: \$216.00

### Account Information

Phone #: 415-486-4206  
Name: HAWKINS DELAFIELD & WOOD LLP  
Address: ONE EMBARCADERO CENTER - SUITE 3820  
SAN FRANCISCO, CA 94111

Account #: 1001095939  
Client:  
Placed By: BRENDA WADLINGTON  
Fax #:

### Ad Information

Placement: Public Notice FR  
Publication: PE Riverside, PE.com

Start Date: 10/23/2015  
Stop Date: 10/23/2015  
Insertions: 1 print / 1 online

Rate code: Gen Pub Notice-PE  
Ad type: C Legal

Size: 2 X 54 Li  
Bill Size: 108.00

Amount Due: \$216.00

### Ad Copy:

#### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on November 10, 2015, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, will be held by the Board of Supervisors of the County of Riverside to hear and consider information with respect to the proposed issuance by the California Municipal Finance Authority (the "Authority") of its revenue bonds in one or more series, which may occur over the next three years pursuant to a plan of finance as described below, in the aggregate principal amount not to exceed \$12,000,000 (the "Bonds"). The proceeds of the Bonds will be loaned to the initial owners listed below and will be used to finance or reimburse various costs of issuance, debt service reserve fund(s) and capitalized interest, if any, and the acquisition, rehabilitation, improvement and equipping of a 55-unit multifamily rental housing project commonly known as Rancho California to be owned and operated by Rancho California LP, a California limited partnership (or an affiliate or assign thereof) ("Borrower"), located at 29210 Stonewood Road, Temecula, California.

The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute an indebtedness or an obligation of 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, but shall be 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 at County Board Chambers, 4080 Lemon Street, Riverside, California 92501. 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 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, Clerk of the Board of Supervisors, County of Riverside, 4080 Lemon Street, Riverside, California 92501.

Dated: October 23, 2015.

COUNTY OF RIVERSIDE, CALIFORNIA  
By: /s/ Kecia Harper-Thorn  
Clerk of the Board of Supervisors