



**RESOURCE
MANAGEMENT AGENCY
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

KUYLER CROCKER
District One
PETE VANDER POEL
District Two
AMY SHUKLIAN
District Three
J. STEVEN WORTHLEY
District Four
MIKE ENNIS
District Five

AGENDA DATE: June 5, 2018

Public Hearing Required	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Published Notice Required	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Advertised Published Notice	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
CONTACT PERSON: Celeste Perez PHONE: (559) 624-7010				

SUBJECT: Sequoia Commons Apartments Tax-exempt Bonds, Goshen

REQUEST(S):
That the Board of Supervisors:

1. Conduct a public hearing at 9:30 a.m. or shortly thereafter; and
2. Allow members of the public to comment on the proposed Sequoia Commons Apartments project and funding for the project, and
3. Adopt the Resolution approving the issuance of tax-exempt Bonds in a principle amount not to exceed \$15,000,000 by the California Municipal Finance Authority for the Sequoia Commons Apartment Project.

SUMMARY:
The County has received a request from the Self-Help Enterprises, a nonprofit, public benefit corporation organized and existing under the laws of the State of California and an organization described in section 501 (c)(3) of the Internal Revenue Code of 1986 (the "Corporation") and the California Municipal Finance Authority (the "Authority"), a joint powers authority of which the County is a member, to conduct a public hearing as required by the Internal Revenue Code of 1986 (the "Code") in order to permit the issuance by the Authority of tax-exempt revenue bonds in an aggregate amount not to exceed \$15 million (the "Bonds") for the benefit of the Corporation. The County has been a member of the Authority since August 2007 pursuant to authorization granted in Board of Supervisors Resolution No. 2007-0554.

Section 147(f) of the Code requires that, in order for the interest on a private activity bond to be excluded from the gross income of the owner of the bond (i.e., tax-exempt), an "applicable elected representative" of the governmental unit issuing the

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bond must approve the issuance of the bond after a public hearing following reasonable public notice. The proposed Bonds (the proceeds of which will be used by the Authority to make a loan to the Corporation) are classified as private activity bonds for purposes of the Code. Because the Authority's Board of Directors is not an elected body, section 147(f)(2)(E)(ii) of the Code provides that a governmental unit with elected representatives and jurisdiction over the area in which the project to be financed is located, in this case the Board of Supervisors, is an "applicable elected representative" with respect to the Bonds.

In order for the Authority to issue the Bonds, the County must (1) conduct a noticed public hearing allowing members of the public to comment on the proposed project and its funding, and (2) approve of the Authority's issuance of Bonds. The Authority requests a certification of this resolution. Although the Authority (not the County) will be the issuer of the Bonds, the financing cannot proceed without the County's approval of the Authority's issuance of the Bonds. The County will incur no obligation whatsoever by reason of its holding of the public hearing and approval of the issuance of the Bonds by the Authority.

The Board of Directors of the California Foundation for Stronger Communities, a California nonprofit public benefit corporation (the "Foundation"), acts as the Board of Directors of the Authority. The Authority shares a portion of its issuance fees with its member communities and donates a portion of these fees to the Foundation for the support of local charities. With respect to the Corporation financing, it is proposed that 25% of the issuance fee of the Authority would be contributed by the Authority to the County, if the bonds are issued. A similar amount will be donated by the Authority to the borrower in the form of a reduction in issuance fees.

The Authority's joint exercise of powers agreement explicitly provides that the Authority is a public entity, separate and apart from the members executing the agreement, and the debts, liabilities and obligations of the Authority do not constitute debts, liabilities, or obligations of any of the members executing the agreement. The County will in no way become exposed to any contractual financial liability by reason of its membership in the Authority or the issuance of the Bonds. In addition, participation by the County in the Authority will not impact the County's appropriations limit and in no way will constitute any type of indebtedness of the County.

Once the County holds the required public hearing and adopts the required resolution following the public hearing, no other participation of the County in the actions of the Authority or in the bond financing process will be required.

The Corporation will use the proceeds of the Bonds for the acquisition, construction, improvement and equipping of a 66-unit affordable rental residential facility, which includes one manager's unit to be owned and operated by the Borrower and located at the southwest corner of Riggan Avenue and Road 76 in the unincorporated community of Goshen within the County of Tulare, California

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FISCAL IMPACT/FINANCING:

There is no direct or indirect financial impact to the County as a result of this proposed financing. The Authority will issue tax-exempt revenue bonds for the benefit of the Corporation. The tax-exempt revenue bonds are payable solely out of the revenues derived from loan payments made by the Corporation. No financial obligations are placed on the County for project financing costs or debt repayment.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

This matter is linked to Tulare County's Quality of Life Strategic Initiative in that the bond proceeds will be used to provide affordable housing for the residents of the County.

ADMINISTRATIVE SIGN-OFF:



Reed Schenke, P.E.
Director

Cc: Auditor-Controller
County Counsel
County Administrative Office (2)

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF TULARE APPROVING THE
ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 TO FINANCE A 66-UNIT AFFORDABLE
RENTAL RESIDENTIAL FACILITY FOR THE BENEFIT OF SELF-HELP ENTERPRISES (OR AN AFFILIATE
THEREOF), AND CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, Self-Help Enterprises, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Sponsor"), on behalf of a limited partnership or other entity to be created by the Sponsor or an affiliate thereof (the "Borrower"), has requested that the California Municipal Finance Authority (the "Authority") issue one or more series of revenue bonds in an aggregate principal amount not to exceed \$15,000,000 as part of a plan to finance the Project described herein (the "Bonds") for the acquisition, construction, improvement and equipping of a 66-unit affordable rental residential facility known as the Sequoia Commons Apartments project, which includes one manager's unit (the "Project"), to be owned and operated by the Borrower and located at the southwest corner of Riggan Avenue and Road 76 in the unincorporated community of Goshen within the County of Tulare, California (the "County"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the County because the Project is to be located within the territorial limits of the County; and

WHEREAS, the Board of Supervisors of the County (the "Board") 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 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 Relating to the California Municipal Finance Authority, 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 has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Tulare as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Board hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the Board that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is to be located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.

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

and the financing transaction approved hereby.

Section 4. The Board's approval of issuance of the Bonds is given with the understanding, and upon the express condition, that the Bonds will not in any way be an obligation or indebtedness of the County, and that the County will have no responsibility for paying the principal, interest, premium, or other costs on or with respect to the Bonds or the Project.

Section 5. The Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Ronald E. Lee, Esq.
Jones Hall, APLC
475 Sansome Street, Suite 1700
San Francisco, CA 94111

Section 6. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Tulare this _____ day of _____ 2018.

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

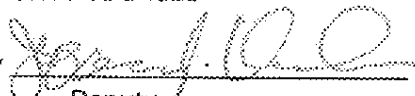
[SEAL]

Attest:
Michael C. Spata, County Administrative Officer/
Clerk of the Board of Supervisors

By: _____
Deputy

Date: _____

Approved as to Form:
COUNTY COUNSEL

By: 
Deputy

Date: 5-18-18

Matter No. 2018813