

Mayor
William Siegel
Mayor Pro Tem
Lois Wynne
Council Members
Eddie Neal
Willard Rodarmel



Office of the
City Manager

119 Fox Street
Lemoore • CA 93245
Phone • (559) 924-6700
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Staff Report

ITEM 3-5

To: Lemoore City Council

From: Jeff R. Laws, City Manager 

Date: July 7, 2014

Subject: Public Hearing – Resolution 2014-21 - Approval of Joint Exercise of Powers Agreement and Issuance of Multifamily Housing Revenue Bonds by the California Statewide Communities Development Authority

Discussion:

Highridge Costa Housing Partners, LLC (the Developer) has submitted an application (Attachment A) to the California Statewide Communities Development Authority (the Authority) for the financing of the acquisition and rehabilitation of an affordable multifamily housing project, known as the Montclair Apartments, through the issuance of tax-exempt multifamily housing revenue bonds (the Bonds) in an aggregate principal amount not to exceed 5 million (the Project). The proposed project consists of 80 units, to be acquired and rehabilitated at 150 South 19th Avenue. The project is expected to be 100% affordable with unit rents restricted at 50% and 60% of the area median income.

The Bonds will be tax-exempt private activity bonds for the purposes of the Internal Revenue Code and, as such, require the approval of the elected body of the governmental entity having jurisdiction over the areas where the project to be financed is located. The City of Lemoore has no obligation to repay the bond indebtedness, and will not be named in any of the disclosure documents, describing the bonds or proposed financing.

In 2003, the City joined the Authority as a program participant allowing the Authority to issue such bonds to the Villa San Joaquin Apartments (Attachment B, Resolution 2003-43). The full text of the amended and restated Joint Exercise of Power Agreement, Resolution 2003-42, is included as Attachment C.

The City must now conduct a public hearing (Tax and Equity Fiscal Responsibility Act “TEFRA” hearing) on the proposed financing. Although the Authority (not the city) will be the issuer of the tax-exempt revenue bonds for the Developer, the financing cannot proceed without the City, as the governmental entity having jurisdiction over the site, approving of the Authority’s issuance of indebtedness.

Budget Impact:

None.

Recommendation:

That Council hold the Public Hearing and at the conclusion of the Public Hearing, adopt by motion, Resolution 2014-21 approving the issuance by the California Statewide Communities Development Authority of multifamily housing revenue bonds for the Montclair Apartments.

Applicant Information**Primary Contact E-mail:** peggy.lichthart@housingpartners.comName of Developer: **Highridge Costa Housing Partners, LLC**TIN or EIN: **27-3320865****Primary Contact**First Name: **Peggy**Last Name: **Lichthart**Title: **Project Manager****Address:**Street: **330 W. Victoria Street**

Suite:

City: **Gardena**State: **California**Zip: **90248**Phone: **424-258-2808**

Ext:

Fax: **424-258-2809**Email: peggy.lichthart@housingpartners.com**Borrower Description:** Same as developer ?Name of Borrowing Entity: **Montclair Lemoore AR, L.P.****Type of Entity:** For-profit Corporation Non-profit Corporation Partnership Other (specify) Will you be applying for State Volume Cap?Date Organized: **4/29/2014**No. of Multi-Family Housing Projects Completed in the Last 10 Years: **31**No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **31****Primary Billing Contact**Organization: **Highridge Costa Housing Partners, LLC**First Name: **Peggy**Last Name: **Lichthart**Title: **Project Manager****Address**Street: **330 W. Victoria Street**

Suite:

City: **Gardena**State: **California**Zip: **90248**Phone: **424-258-2808**

Ext:

Fax: **424-258-2809**Email: peggy.lichthart@housingpartners.com

Project Information

Project Information

Project Name: **Montclair Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Montclair Apartments**

Facility Bond Amount: **\$3,609,000.00**

Project Address:

Street: **150 South 19th Avenue**

City: **Lemoore**

State: **California**

Zip: **93245**

County: **Kings County**

Is Project located in an unincorporated part of the County? Y N

Total Number of Units:

Market: **1**

Restricted: **79**

Total: **80**

Lot size: **297,079 sq. ft or 6.82 acres**

Amenities:

Montclair offers a courtyard/picnic area, central laundry facility, clubhouse with common area kitchen, computer lab, on-site management, a playground, swimming pool, and perimeter fencing.

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

35 one-story garden-style buildings and a one-story clubhouse. The buildings are wood frame construction with slab concrete flooring, stucco and wood sliding, and pitched roofs.

Type of Housing:

New Construction

Acquisition/Rehab

Facility Use:

Family

Senior

Is this an Assisted Living Facility?

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Name of Agency:

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	12	492.00	787.00	-295.00
2.	2 Bedrooms	50	1	518.00	787.00	-269.00
3.	2 Bedrooms	60	9	518.00	787.00	-269.00
4.	2 Bedrooms	60	10	544.00	787.00	-243.00
5.	3 Bedrooms	50	14	564.00	909.00	-345.00

6.	3 Bedrooms	50	5	594.00	909.00	-315.00
7.	3 Bedrooms	60	12	594.00	909.00	-315.00
8.	3 Bedrooms	60	16	625.00	909.00	-284.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

Government Information

Project/Facility is in:

Congressional District #:	State Senate District #:	State Assembly District #:
21	16	32

Financing Information

Financing Information

Maturity 40 Years

Interest Rate Mode:

Fixed

Variable

Type of Offering:

Public Offering

Private Placement

New Construction

Acquisition of Existing Facility

Refunding

(Refunding only) Will you be applying for State Volume Cap? Yes No

Is this a transfer of property to a new owner? Yes No

Construction Financing:

Credit Enhancement

None

Letter of Credit

Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

Credit Enhancement

None

Letter of Credit

Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

Projected State Allocation Pool:

General Mixed Income Rural

Will the project use Tax-Credit as a source of funding? Y N

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$3,609,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$163,701.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Costs Paid at Conversion	<u>\$818,244.00</u>
Seller Note	<u>\$1,011,807.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$5,602,752.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$3,450,000.00</u>
Construction or Remodel:	<u>\$912,000.00</u>
Cost of Issuance:	<u>\$107,401.00</u>
Capitalized Interest:	<u>\$91,428.00</u>
Reserves:	<u>\$117,786.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$651,530.00</u>
TCAC/CDLAC Application Fees	<u>\$53,385.00</u>
Construction Contingency	<u>\$42,400.00</u>
Permanent Costs	<u>\$50,000.00</u>
Various Soft Costs	<u>\$126,822.00</u>
Total Uses:	<u>\$5,602,752.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington & Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Bond Counsel

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: America First Tax Exempt Investor, L.P.

Primary Contact

First Name: Robert

Last Name: Schultz

Title: Senior Vice President

Address:

Street: 9090 S. Ridgeline Blvd

Suite: 100

City: Highlands Ranch

State: Colorado

Zip: 80129

Phone: 720-219-1112

Ext:

Fax:

Email: aschultz@afreg.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 2003-43

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMOORE
APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING
REVENUE BONDS FOR THE PURPOSE OF FINANCING THE
ACQUISITION AND REHABILITATION OF THE VILLA SAN
JOAQUIN APARTMENTS**

At a Special Meeting of the City Council of the City of Lemoore duly called and held on November 25, 2003 at 6:00 p.m. on said day, it was moved by Councilmember Plourde, seconded by Councilmember Andreasen and carried that the following Resolution be adopted:

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized by the laws of the State of California (the "Law") to execute and deliver multifamily housing revenue obligations for the purpose of financing the acquisition, construction and rehabilitation of multifamily residential rental facilities located within the area of operation of the Authority which are to be occupied, in part, by very low and low income tenants; and

WHEREAS, Community Revitalization and Development Corporation, or a limited partnership or limited liability company to be formed by Community Revitalization and Development Corporation (the "Borrower") has requested the Authority to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$1,000,000 (the "Obligations"), the proceeds of which may only be used for the purpose of financing the acquisition and rehabilitation of a 36-unit multifamily residential rental facility to be commonly known as the Villa San Joaquin Apartments which is located at 200 North 19th Avenue in the City of Lemoore, California (the "Project"); and

WHEREAS, the Obligations which are expected to be issued and delivered to finance the acquisition and rehabilitation of the Project would be considered "qualified exempt facility bonds" under Section 142 (a) of the Internal revenue Code of 1986, as amended (the "Code"), and Section 147(f) of the Code requires that the "applicable elected representative" with respect to the Project hold a public hearing on the issuance and delivery of the Obligations; and

WHEREAS, the City Council of the City of Lemoore as the "applicable elected representatives" to hold said public hearing, has held said public hearing at which all those interested in speaking with respect to the proposed financing of the Project were heard.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The City Council hereby finds and determines that the foregoing recitals are true and correct.

2. For purposes of the requirements of the Code only, the City Council hereby approves the proposed financing of the Project by the Authority with the proceeds of the Obligations.

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

4. The adoption of this Resolution is solely for the purpose of meeting the requirements of the Code and shall not be construed in any other manner, the City nor its staff having fully reviewed or considered the financial feasibility of the Project or the expected financing or operation of the Project with regards to any State of California statutory requirements, and such adoption shall not obligate (i) the City to provide financing to the Borrower for the acquisition, rehabilitation and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the City, or of any department of the City, to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.

5. The City Clerk of the City shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the public hearing notice to:

Thomas A. Downey
Jones Hall, A Professional Law Corporation
650 California Street, 18th Floor
San Francisco, California 94108

6. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED this 25th day of November, 2003, by the following roll call vote:

Ayes: Plourde, Andreasen, Lahodny

Nays: None

Abstain: None

Absent: Buford, Martin

ATTEST:



Nanci C. O. Lima, Deputy City Clerk



Ed Martin, Mayor
LYNDA LAHODNY,
ACTING MAYOR

CERTIFICATE

STATE OF CALIFORNIA }
COUNTY OF KINGS } ss.
CITY OF LEMOORE }

I, Nanci C. O. LIMA, Deputy City Clerk of the City of Lemoore do hereby certify the foregoing Resolution of the City Council of the City of Lemoore was duly passed and adopted at a Special Meeting of the City Council held on November 25, 2003.

Dated: November 26, 2003

Nanci C. O. Lima
Nanci C. O. Lima, Deputy City Clerk

RESOLUTION NO. 2003-42**RESOLUTION OF THE CITY COUNCIL OF LEMOORE APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF AN AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT RELATING TO THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

At a Special Meeting of the City Council of the City of Lemoore duly called and held on November 25, 2003 at 6:00 p.m. on said day, it was moved by Councilmember Plourde, seconded by Councilmember Andreasen and carried that the following Resolution be adopted:

WHEREAS, the City of Lemoore, California (the "City"), has expressed an interest in participating in the economic development financing programs (the "Programs") in conjunction with the parties to that certain Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority, dated as of June 1, 1988 (the "Agreement"); and

WHEREAS, there is now before Lemoore City Council the form of the Agreement; and

WHEREAS, the City proposes to participate in the Programs and desires that certain projects located within the City be financed pursuant to the Programs and it is in the public interest and for the public benefit that the City do so, and

WHEREAS, the Agreement has been filed with the City, and the members of the City Council, with the assistance of its staff, have reviewed said documents;

NOW, THEREFORE, BE IT RESOLVED by the city council of the City of Lemoore as follows:

Section 1. The Agreement is hereby approved and the City Manager is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by City Manager, and the City Clerk or such Clerk's designee is hereby authorized and directed to affix the City's seal to said document and to attest thereto.

Section 2. The City Manager, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 3. The City Clerk of the City shall forward a certified copy of this Resolution and an originally executed Agreement to :

Angie Sessions
Orrick, Herrington & Sutcliffe LLP
400 Capital Mall, Suite 3000
Sacramento, CA 95814

Section 4. This resolution shall take effect immediate upon its passage.

Passed and adopted at a Special Meeting of the City Council of the City of Lemoore held on the 25th day of November, 2003 by the following vote:

AYES: Plourde, Andreasen, Lahodny

NOES: None

ABSENT: Buford, Martin

ABSTAINING: None

APPROVED:


Ed Martin, Mayor
LYNDA LAHODNY, ACTING MAYOR

ATTEST:

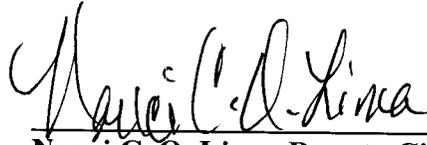

Nanci C. O. Lima, Deputy City Clerk

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS)
CITY OF LEMOORE)

I, Nanci C. O. Lima, Deputy City Clerk of the City of Lemoore do hereby certify the foregoing Resolution of the City Council of the City of Lemoore was duly passed and adopted at a Special Meeting of the City Council held on November 25, 2003.

DATE: November 26, 2003



Nanci C. O. Lima, Deputy City Clerk

RESOLUTION NO. 2014-21

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMOORE
APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY
HOUSING REVENUE BONDS FOR THE MONTCLAIR APARTMENTS**

At a Regular Meeting of the City Council of the City of Lemoore duly called and held on July 15, 2014 at 7:30 p.m. on said day, it was moved by Council Member _____, seconded by Council Member _____, and carried that the following Resolution be adopted.

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 City of Lemoore (the “City”), 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, Montclair Lemoore AR, L.P., a limited partnership or related entities, 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 \$5,000,000 in outstanding aggregate principal amount, to finance the acquisition and rehabilitation of a 80-unit multifamily rental housing project located at 150 South 19th Avenue, Lemoore, California, generally known as Montclair Apartments (the “Project”) and operated by ConAm Management Corporation; and

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

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

WHEREAS, the members of this City Council (this “City Council”) are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City, a notice that a public hearing regarding the Bonds would be held on a date specified in such notice; and

WHEREAS, such public hearing was conducted on such date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the Authority is also requesting that the City Council approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Project (the “Refunding Bonds”), but only in such cases where federal tax laws would not require additional consideration or approval by the City Council; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEMOORE AS FOLLOWS:

Section 1. The above recitals are true and correct.

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

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that 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 approved hereby.

Section 4. The adoption of this Resolution is solely for the purpose of meeting the requirements of the Code and shall not be construed in any other manner, the City nor its staff having fully reviewed or considered the financial feasibility of the Project or the expected financing or operation of the Project with regards to any State of California statutory requirements, and such adoption shall not obligate (i) the City to provide financing to the Borrower for the acquisition, rehabilitation and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the City, or any department of the City, to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.

Section 5. The City Clerk shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the hearing notice to:

Justin Cooper, Esq.
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, California 94105

Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the City Council of the City of Lemoore at a regular meeting

held on the 15th day of July, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

ATTEST:

APPROVED:

Mary J. Venegas, City Clerk

William M. Siegel, Jr., Mayor

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, Mary J. Venegas, City Clerk of the City of Lemoore do hereby certify the foregoing Resolution of the City Council of the City of Lemoore was duly passed and adopted at a Regular Meeting held on July 15, 2014.

DATED: July 15, 2014

Mary J. Venegas, City Clerk