

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: April 13, 2010	AGENDA NO.: S- 1
SUBJECT 1) Conduct a public hearing under the requirements of the Tax Equity and Financial Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended for the Cynara Court Affordable Housing Project located at 10860-10868 Merritt Street and 10201-10203 Merritt Street in Castroville being developed by Mid-Peninsula Housing Coalition ; and 2) Adopt a resolution approving the issuance of up to \$11,700,000 in Private Activity Bonds by the California Municipal Finance Authority (CMFA) for the benefit of Mid-Peninsula Castroville Associates, L.P. to provide for the financing of the Project.	
DEPARTMENT: RMA –Redevelopment and Housing Office	

RECOMMENDATION:

It is recommended the Board of Supervisors:

- 1) Conduct a public hearing under the requirements of the Tax Equity and Financial Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended for the Cynara Court Affordable Housing Project located at 10860-10868 Merritt Street and 10201-10203 Merritt Street in Castroville being developed by Mid-Peninsula Housing Coalition; and
- 2) Adopt a resolution approving the issuance of up to \$11,700,000 in Private Activity Bonds by the California Municipal Finance Authority (CMFA) for the benefit of Mid-Peninsula Castroville Associates, L.P. to provide for the financing of the Project.

SUMMARY:

Mid-Peninsula Castroville Associates, LP is working with the California Municipal Finance Authority (CFMA) to issue up to \$11,700,000 (Eleven Million Seven Hundred Thousand Dollars) in tax-exempt revenue bonds to help finance the construction of 58 affordable apartment units. The recommended actions are required before the CMFA can proceed with an application to the California Debt Limit Allocation Committee (CDLAC).

DISCUSSION:

Mid-Peninsula Housing Coalition intends to construct two multi-family rental housing developments totaling 58 units to be located at 10860 through 10868 Merritt Street and at 10201 through 10203 Merritt Street in Castroville, County of Monterey, California. The owner of the Project is Mid-Peninsula Castroville Associates, L.P.

In order for CMFA to request an allocation of tax-exempt bonds from CDLAC and for the bonds to ultimately qualify for tax-exempt status under the Internal Revenue Code, the local government agency having jurisdiction over the area in which the project is located must hold a properly noticed public hearing pursuant to TEFRA (26 U.S.C 147 (f)) and adopt a resolution approving sale of the private activity bonds.

The County of Monterey is a member of the CMFA. The Joint Exercise of Powers Agreement provides that CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of CMFA do not constitute debts, liabilities or obligations of the members executing such agreement.

The Bonds to be issued by CMFA for the Project will be the sole responsibility of the Borrower, and the County will have no financial, legal, moral obligation, liability or responsibility for the Project or the repayment of the Bonds for the financing of the Project. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not obligations of the County or the State of California, but are to be paid for solely from funds provided by the Borrower.

OTHER AGENCY INVOLVEMENT:

County Counsel and the County Administrative Office have reviewed this request and concur with the recommendations.

FINANCING:

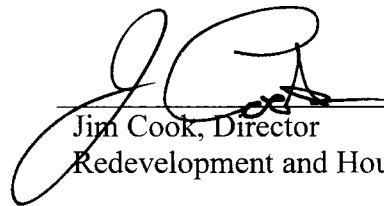
The staff cost of processing this request has been financed by Fund 009, Budget Unit 8208 (Inclusionary Housing). If the bonds are issued, a portion of the issuance fees estimated to total \$7,812 will be deposited in Fund 009.

Prepared by:



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Redevelopment and Housing Office

Approved by:



Jim Cook, Director
Redevelopment and Housing Office