



# Monterey County

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## Board Report

Legistar File Number: RES 17-077

June 13, 2017

**Introduced:** 6/1/2017

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** BoS Resolution

- a. 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; and
- b. Adopt a resolution approving the issuance of Golden State Finance Authority senior housing revenue bonds, on behalf of Montecito Salinas AR, L.P., a California limited partnership in the aggregate principal amount not to exceed \$13,800,000 to finance the acquisition, rehabilitation, and equipping of a 132-unit senior rental housing project located at 1598 Mesquite Drive, Salinas, California, 93905, Monterey County, known as Montecito at Williams Ranch Apartments, and certain other matters relating thereto.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. 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; and
- b. Adopt a resolution approving the issuance of Golden State Finance Authority senior housing revenue bonds, on behalf of Montecito Salinas AR, L.P., a California limited partnership in the aggregate principal amount not to exceed \$13,800,000 to finance the acquisition, rehabilitation, and equipping of a 132-unit senior rental housing project located at 1598 Mesquite Drive, Salinas, California, 93905, Monterey County, known as Montecito at Williams Ranch Apartments, and certain other matters relating thereto.

### SUMMARY:

Montecito Salinas AR, L.P., a California limited partnership, has requested that the Golden State Finance Authority (the "Authority") participate in the issuance of one or more series of senior housing revenue bonds (the "Bonds") in an aggregate principal amount not to exceed \$13,800,000 to finance the acquisition, rehabilitation, and equipping of a 132-unit senior rental housing project located at 1598 Mesquite Drive, Salinas, California, 93905, Monterey County, known as Montecito at Williams Ranch Apartments.

### DISCUSSION:

The Authority has requested that the Board of Supervisors approve the issuance of the Bonds by the Authority for the purposes of financing the Montecito at Williams Ranch Apartments to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986 (the "Code"). The Authority is authorized, pursuant to the provisions of California Government Code Section 6500 *et seq.* and the terms of the Amended and Restated Joint Exercise of Powers Agreement, originally dated as of July 1, 1993, and as thereafter from time to time amended and restated, among certain local agencies throughout the State of California (the "Agreement"), including the County, to issue its revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of California Health and Safety Code for the purpose of providing financing for the acquisition, rehabilitation and equipping of multifamily rental housing for persons and families

of low or moderate income.

The development located at 1598 Mesquite Drive is an existing 132-unit senior apartment complex constructed in 2001. Montecito at Williams Ranch offers 106 one bedroom and 26 two bedroom units with a senior demographic and 100% are set aside with incomes at or below 50 to 60 percent of the Average Median Income (“AMI”).

Required notice for the public hearing was provided, consistent with TEFRA requirements, by publication in *The Monterey Herald* on June 2, 2017.

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

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Notice and proposed Resolution as to form and legality.

FINANCING:

Adoption of the Resolution will have no fiscal impact to the County’s general or other funds.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation supports the economic development and health and human services strategic initiatives as revenue bonds are vehicles of economic development that promote a diverse and healthy economy while providing affordable housing for individuals, families, and seniors.

- X Economic Development
- \_\_ Administration
- X Health & Human Services
- \_\_ Infrastructure
- \_\_ Public Safety

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Attachments: 1) Resolution; and 2) Proof of Publication of Notice of Public Hearing