

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: February 7, 2012 – 1:30 pm	AGENDA NO.: S- 2
SUBJECT a. Conduct a public hearing under the requirements of 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 up to \$13,300,000 in Private Activity Bonds by the California Municipal Finance Authority (CMFA) for the benefit of MP Manzanita Associates, Limited Partnership to provide for the financing of the Project.	
DEPARTMENT: Auditor-Controller’s Office	

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Conduct a public hearing under the requirements of Tax Equity and Financial Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended; and,
- b. Adopt the attached resolution approving the issuance of up to \$13,300,000 in Private Activity Bonds by the California Municipal Finance Authority (CMFA) for the benefit of MP Manzanita Associates, Limited Partnership to provide for the financing of the Project.

SUMMARY:

MP Manzanita Associates, LP is working with the California Municipal Finance Authority to issue up to \$13,300,000 (Thirteen Million Three Hundred Thousand Dollars) in tax-exempt revenue bonds to help finance the construction of 66-affordable apartments. The recommended actions are required before the CMFA can proceed with an application to the California Debt Limit Allocation Committee (CDLAC). Because TEFRA hearings are only valid for 1 year, this action duplicates action taken by this Board on February 15, 2011.

DISCUSSION:

MP Manzanita Associates, LP, intends to construct a multifamily rental housing development totaling 66 units to be located at 17900 Kearny Street and 17500 Reynolds Street (Assessor’s Parcels Numbers 031-164-089 and 031-164-092) in the County of Monterey, California 93933. The owner of the Project is MP Manzanita Associates, L.P.

In order for the 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 the CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of the members executing such agreement.

The Bonds to be issued by the 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.

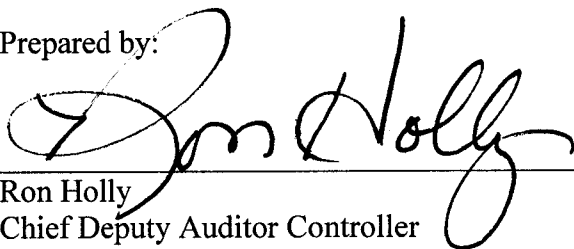
OTHER AGENCY INVOLVEMENT:

RMA – Housing and Redevelopment Office, 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 001, Budget Unit 1110 (Auditor-Controller). If the bonds are issued, a portion of the issuance fees estimated to total \$7,500 will be deposited in Fund 001.

Prepared by:



Ron Holly
Chief Deputy Auditor Controller

Approved by:



Michael J. Miller, CISA, CPA
Auditor-Controller

Attachments: Resolution
Copy of Notice