



**COUNTY OF PLACER**  
**Community Development/Resource Agency**

Michael J. Johnson, AICP  
Agency Director

**PLANNING  
SERVICES DIVISION**

Paul Thompson, Deputy Director

**MEMORANDUM**

**TO:** Honorable Board of Supervisors

**FROM:** Michael J. Johnson, AICP  
Agency Director

**DATE:** August 7, 2012

**SUBJECT:** Conduct a Tax and Equity Fiscal Responsibility Act Public Hearing  
and Approve the Issuance of Revenue Bonds for the Acquisition and  
Rehabilitation of Terracina Oaks Apartments in Auburn

**ACTION REQUESTED**

The Planning Services Division requests the Board of Supervisors:

- 1) Conduct a public hearing under the Tax and Equity Fiscal Responsibility Act ("TEFRA") and approve that the California Municipal Finance Authority ("CMFA"), a joint exercise of powers authority and public entity of the State of California, will issue in one or more series of revenue bonds in an amount not to exceed \$5,000,000, (the "Bond"), to assist in the financing of the acquisition and rehabilitation of a multifamily rental housing facility for the Terracina Oaks Apartments located at 12200 Gateway Oaks in unincorporated Auburn, and
- 2) The Board is also being asked to adopt a resolution to approve the financing of the Project by the CMFA.

**BACKGROUND**

USA Multi-Family Development, Inc. ("Developer") was the developer of the Terracina Oaks project ("Project"). A density bonus of six units was granted by Placer County for the Project. In exchange for the density bonus, a 20-year affordability restriction was recorded against the Project. The construction of the Project was completed in 2001, and USA Properties continues to manage the Project. The primary financing for the development of the Project derived from the sale of California Tax Credit Allocation Bonds. The 15-year tax credit investment term is near expiration and the Developer is proposing to refinance and rehabilitate the Project.

The Developer requested that the CMFA serve as the municipal issuer of the Bonds in an aggregate principal amount not to exceed \$5,000,000 of tax-exempt revenue bonds. The

proceeds of the Bonds will be used to: (1) finance the acquisition and rehabilitation of a 56-unit multifamily rental housing facility located at 122000 Gateway Oaks, in unincorporated Auburn, and (2) pay certain expenses incurred in connection with the issuance of the Bonds. The facility to be financed is to be owned by a California limited partnership

In order for all or a portion of the bonds to qualify as tax-exempt bonds, the Board of Supervisors must conduct a public hearing (the "TEFRA Hearing") providing for the members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project. As required by Federal law prior to the TEFRA hearing, reasonable notice must be provided to the members of the community, and the proposed hearing has been duly noticed. Following the close of the TEFRA hearing, the elected government representatives, the County Board of Supervisors, must adopt a resolution to approve the financing of the Project by the CMFA. With the issuance of the Bonds, the new affordability period will be for a term of 55 years.

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation (the "Foundation"), acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities.

#### **FISCAL IMPACT**

No general fund monies will be needed for this process. With respect to the County of Placer, it is expected that 25 percent of the issuance fee estimated to be \$3,125 will be granted by the CMFA to the general fund of the County. Such grant may be used for any lawful purpose of the County. The Developer will be the beneficiary of the CMFA's charitable donation through a 25 percent reduction in issuance fees

#### **ENVIRONMENTAL IMPACT**

The proposed administrative activity is exempt from California Environmental Quality Act (CEQA) review pursuant to CEQA Guidelines Section 15310 (Loans) and under National Environmental Protection Act per 24 CFR Section 58.34.

#### **RECOMMENDATION**

The Planning Services Division respectfully requests that the Board of Supervisors conduct the TEFRA Hearing and adopt a resolution authorizing the issuance of the bonds by the CMFA.

#### **ATTACHMENTS:**

Attachment 1: Resolution  
Attachment 2: Public Notice

cc: Karin Schwab, Deputy County Counsel

# Before the Board of Supervisors County of Placer, State of California

In the matter of:

A Resolution Authorizing the issuance of  
Bonds by the California Municipal Finance  
Authority Relating to the Financing of  
Terracina Oaks

Resolution No.: \_\_\_\_\_

The following Resolution was duly passed by the Placer County Board of Supervisors, at a regular meeting held \_\_\_\_\_, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Clerk of said Board

Board of Supervisors

\_\_\_\_\_  
Ann Holman

\_\_\_\_\_  
Chair

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**BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, AS FOLLOWS:**

**WHEREAS**, the California Municipal Finance Authority (the "Authority") is authorized to finance the acquisition, construction/rehabilitation and development of affordable multifamily rental housing developments;

**WHEREAS**, the County of Placer is a member of the Authority;

**WHEREAS**, the Authority intends to issue tax-exempt obligations in one or more series issued from time to time in a principal amount not to exceed \$5,000,000 (the "Obligations") at the request of Terracina Oaks, L.P., a California limited partnership, on behalf of and together with its successors or assigns or any limited partnership or limited liability

company established by USA Multi-Family Development, Inc. (the "Developer"), for the purpose, among other things, of making a loan to the Developer, the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of a 56-unit multifamily housing rental facility known as Terracina Oaks located at 12200 Gateway Court, in Auburn, County of Placer, California (the "Project"); and

WHEREAS, the Obligations will be considered to be "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 County hold a public hearing on and approve the issuance of the Obligations; and

**WHEREAS**, this Board of Supervisors is the elected legislative body of the County; and

**WHEREAS**, a notice of public hearing in a newspaper of general circulation in the County has been published, to the effect that a public hearing would be held by the Board of Supervisors on the date hereof regarding the issuance of the Obligations by the Authority and the nature and location of the Project; and

**WHEREAS**, a public hearing was held by the Board of Supervisors on the 7th day of August, 2012, following duly published notice thereof, and all persons desiring to be heard have been heard; and

**WHEREAS**, it is in the public interest and for the public benefit that the Board of Supervisors, as the elected representatives of the County, the host jurisdiction of such facilities, approve the issuance and delivery by the Authority of the Bonds;

**NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

Section 1. The Board of Supervisors hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Board of Supervisors hereby approves the financing of the Project by the Authority with the proceeds of the Bonds. It is the purpose and intent of the County that this resolution constitute approval of the issuance of the Bonds (a) 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) by the County in accordance with Section 4 of the Authority's joint exercise of powers agreement.

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

Section 4. The Bonds will be paid entirely from repayments by the Borrower. Neither the full faith and credit nor the taxing power, if any, of the County, the Authority and its members, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest with respect to the Bonds, nor shall the County, the Authority and its members, the

State, or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of, premium, if any, or interest with respect to the Bonds.

Section 5. The adoption of this Resolution shall not obligate the County or any department thereof to (i) provide any financing to acquire or rehabilitate the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; or (iii) make any contribution or advance any funds whatsoever to the Authority.

Section 6. The Clerk of the Board of Supervisors shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the public hearing notice to:

Harriet M. Welch, Esq.  
Squire, Sanders & Dempsey LLP  
555 South Flower St., Suite 3100  
Los Angeles, CA 90071-2300

Section 7. This resolution shall take effect immediately.

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**THE FOREGOING RESOLUTION** is approved and adopted by the Board of Supervisors of Placer County this 7th day of August, 2012.

**NOTICE OF PUBLIC HEARING REGARDING ISSUANCE OF  
MULTIFAMILY HOUSING REVENUE BONDS FOR  
TERRACINA OAKS**

NOTICE IS HEREBY GIVEN that, at 9:00 a.m., or as soon thereafter as the matter can be heard, on August 7, 2012, in the Chambers of the Board of Supervisors, 175 Fulweiler Avenue, Auburn, California, the Board of Supervisors for the County of Placer (the "County") will conduct a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, at which it will hear and consider information concerning a proposed plan of financing providing for the issuance by the California Municipal Finance Authority of multifamily housing revenue bonds in one or more series issued from time to time, and at no time to exceed Five Million Dollars (\$5,000,000) in outstanding aggregate principal amount (the "Financing"), to finance the acquisition, rehabilitation and development of a 56-unit multifamily rental housing project commonly known as Terracina Oaks located at 12200 Gateway Oaks, in Auburn, County of Placer, California (the "Project"). The owner of the Project is expected to be of Terracina Oaks, L.P., a California limited partnership, on behalf of and together with its successors or assigns or any limited partnership or limited liability company established by USA Multi-Family Development, Inc..

Neither the faith and credit nor the taxing power of the County, the State of California (the "State"), or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on, the Financing, nor shall the County, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of, premium, if any, or interest on, the Financing.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Code. Those wishing to comment on the proposed financing and the nature and location of the Project may either appear in person at the public hearing or submit written comments, which must be received by the County prior to the hearing. Written comments should be sent to Clerk of the Board, 175 Fulweiler Avenue, Auburn, California 95603.

ANN HOLMAN,  
CLERK OF THE BOARD OF SUPERVISORS