



MEMORANDUM  
COUNTY OF PLACER  
Office of Economic Development

175 Fulweiler Avenue, Auburn, CA 95603-2133  
(530) 889-4016 • Fax:(530) 889-4095

**DATE:** January 7, 2014  
**TO:** Honorable Board of Supervisors  
**FROM:** David C. Snyder, Director  
**SUBJECT:** **Public Hearing for California Statewide Communities Development Authority (CSCDA) Tax and Equity Fiscal Responsible Act (TEFRA) Bonds**

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**ACTION REQUESTED:**

1. Conduct a public hearing under the Tax and Equity Fiscal Responsibility Act ("TEFRA") in connection with the proposed issuance in one or more series of revenue bonds by the California Statewide Communities Development Authority ("CSCDA"), a joint exercise of powers authority and public entity of the State of California, in an amount not to exceed \$23,500,000, (the "Bonds"), in connection with the proposed financing for the acquisition and rehabilitation of three senior multifamily rental housing projects by Preservation Partners Management Group, Inc. in Placer County. They are 50-Unit Auburn Villa, Auburn, CA; 67-Unit Lyn-Roc Senior Community, Rocklin, CA; and 67-Unit Canyon View Senior Apartments, Colfax, CA (the "Projects"), and the County will have no financial, legal, moral obligation, liability or responsibility for the Project or its repayment.
2. Adopt the resolution approving the issuance of the Bonds by the CSCDA for the benefit of Preservation Partners Management Group, Inc., a California Corporation, a public benefit corporation, or a subsidiary or affiliate thereof (the "Borrower"), to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the IRS Code and the California Government Code Section 6500 (et. seq.).

**BACKGROUND:**

Preservation Partners Management Group, Inc., requested that the CSCDA serve as the municipal issuer of the Bonds in an aggregate principal amount not to exceed \$23,500,000 of tax-exempt revenue bonds. The proceeds of the Bonds will be used to finance the acquisition and rehabilitation of three senior multifamily rental housing projects in Placer County. They are 50-Unit Auburn Villa, Auburn, CA; 67-Unit Lyn-Roc Senior Community, Rocklin, CA; and 67-Unit Canyon View Senior Apartments, Colfax, CA (the "Projects").

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The Placer County Board of Supervisors is being asked to adopt a resolution that would approve the issuance of tax-exempt revenue bonds by CSCDA in one or more series in a maximum aggregate principal amount of \$23,500,000 (the "Bonds") for the purpose of financing the acquisition and rehabilitation of three senior multifamily rental housing projects by Preservation Partners Management Group, Inc. in Placer County. They are 50-Unit Auburn Villa, Auburn, CA; 67-Unit Lyn-Roc Senior Community, Rocklin, CA; and 67-Unit Canyon View Senior Apartments, Colfax, CA (the "Projects"). The residents of Placer County benefit from Preservations Partners Management Group acquisition and rehabilitation of affordable multifamily housing in the County.

The County has been requested to conduct a TEFRA public hearing and approve the issuance of the Bonds for purposes of federal law. The Bonds are limited obligations of CSCDA payable solely by Preservation Partners Management Group, Inc., and will not be direct obligations of CSCDA, the County or any member of CSCDA.

State law provides the ability for cities and counties to join together under cooperative agreements to form joint powers authorities to issue debt obligations to fund projects that provide a public benefit and serve the needs of residents within the jurisdictions of the participating members. Federal law allows these obligations to be issued on a tax-exempt basis under certain circumstances. Cities and counties in California have the ability to act as issuers of conduit bonds and other obligations, but many jurisdictions utilize joint powers authorities such as CSCDA, primarily for economies of scale and to access specialized transaction knowledge and resources.

CSCDA was established 25 years ago to stimulate economic development throughout California by financing privately owned projects that provide public benefit by creating jobs, health care, affordable housing, infrastructure, schools and other fundamental services that enrich and improve the quality of life in local communities. Today it serves over 500 local agencies in California and provides financing programs that directly benefit local governments as well. The County became a member of CSCDA in 1988. It is not permitted to issue bonds or notes for a project without first conducting a public (TEFRA) hearing and obtaining permission from the governing board of the jurisdiction in which the project is located, in this case the County of Placer.

The financing for Preservation Partners Management Group, Inc. involves the issuance of tax-exempt bonds and may be completed through CSCDA if the County approves the financing, as the County is a member of CSCDA. The purpose of this TEFRA hearing is to receive public comment and request approval of the financing, as required by the Internal Revenue Code of 1986, as amended. Bond Counsel in this transaction, Orrick, Herrington & Sutcliffe LLP, has properly noticed this public hearing and has assisted in the preparation of the attached resolution for approval.

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The County is the appropriate entity to conduct a public hearing and approve the issuance of the Bonds and the use of the proceeds of the Bonds pursuant to Section 147(f) of the Internal Revenue Code before the Bonds can be issued as tax-exempt obligations. In the past, Placer County has heard similar requests through CSCDA. In this case, Preservation Partners Management Group, Inc., approached CSCDA for the financing, and therefore that group has taken the lead.

**FISCAL IMPACT:**

The Bonds to be issued by the CSCDA 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.

There are no costs associated with membership in the CSCDA and the County will in no way become exposed to any financial liability by reason of its membership in the CSCDA. In addition, participation by the County in the CSCDA will not impact the County's appropriations limits and will not constitute any type of indebtedness by the County. Outside of holding the TEFRA hearing, adopting the required resolution, no other participation or activity of the County or the Board of Supervisors with respect to the issuance of the Bonds will be required.

Attachment - Resolution

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

In the matter of:

Resol. No: 14-\_\_\_\_\_

**A RESOLUTION OF THE BOARD  
OF SUPERVISORS OF THE COUNTY  
OF PLACER APPROVING THE  
ISSUANCE BY THE CALIFORNIA  
STATEWIDE COMMUNITIES DEVELOPMENT  
AUTHORITY OF MULTIFAMILY HOUSING  
REVENUE BONDS FOR AUBURN VILLA,  
LYN-ROC SENIOR COMMUNITY AND  
CANYON VIEW SENIOR APARTMENTS**

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held Tuesday, January 7, 2014 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

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Chairman, Board of Supervisors

**Attest:**  
**Clerk of said Board**

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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 County of Placer (the "County"), 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, Preservation Partners Management Group, Inc. 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, to finance the acquisition and rehabilitation of the following senior multifamily rental housing projects located within the County:

- (a) 50-unit Auburn Villa, 600 Mikkelsen Drive, Auburn, California, at no time to exceed \$6,500,000 in outstanding aggregate principal amount;
- (b) 67-unit Lyn-Roc Senior Community, 6105 Sunset Blvd., Rocklin, California, at no time to exceed \$9,500,000 in outstanding aggregate principal amount; and
- (c) 67-unit Canyon View Senior Apartments, 205 Canyon Court, Colfax, California, at no time to exceed \$7,500,000 in outstanding aggregate principal amount.

The projects are respectively known as Auburn Villa, Lyn-Roc Senior Community and Canyon View Senior Apartments (the "Projects") and operated by Preservation Partners Management Group Inc.; 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 Board of Supervisors (this "Board of Supervisors") are the applicable elected representatives of the County; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the County, 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 Board of Supervisors approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Projects (the "Refunding Bonds"), but only in such cases where federal tax laws would not require additional consideration or approval by the Board of Supervisors; 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 BOARD OF SUPERVISORS OF THE COUNTY OF PLACER AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The Board of Supervisors hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the Board of Supervisors 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 County 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 Clerk of the Board of Supervisors shall forward a certified copy of this Resolution 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.