



City Council Staff Report

DATE: July 15, 2009

PUBLIC HEARING

SUBJECT: CONDUCTING A TEFRA (TAX EQUITY AND FISCAL RESPONSIBILITY ACT) HEARING FOR THE PROPOSED ISSUANCE OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY NOT TO EXCEED \$13,000,000 AGGREGATE PRINCIPAL AMOUNT FOR THE BENEFIT OF THE COACHELLA VALLEY HOUSING COALITION, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, FOR THE ACQUISITION, CONSTRUCTION AND DEVELOPMENT OF THE ROSA GARDENS APARTMENTS AT 555 ROSA PARKS ROAD IN THE DESERT-HIGHLAND GATEWAY ESTATES NEIGHBORHOOD

FROM: David H. Ready, City Manager

BY: Department of Community & Economic Development

SUMMARY

These actions conduct the required TEFRA public hearing in conjunction with the proposed issuance by the California Municipal Finance Authority (the "CMFA"), a joint exercise of powers authority and public entity of the State of California, in an amount not to exceed \$13,000,000 of tax-exempt multi-family housing revenue bonds (the "Bonds"). The proceeds of the Bonds will be used for the purpose of making a loan to Coachella Valley Housing Coalition (the "CVHC"), a California non-profit public benefit corporation, or any limited partnership or limited liability company established by CVHC (the "Borrower"). The Borrower will finance the costs of the acquisition, construction and development of a 57-unit multi-family residential rental facility to be known as Rosa Gardens Apartments (the "Project") located on 4.45 acres at 555 Rosa Parks Road in the Desert-Highland Gateway Estates Neighborhood.

RECOMMENDATION:

- 1) Open the Public Hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (the "Code") for public testimony; and
- 2) Approve Resolution No. _____, "AUTHORIZING THE ISSUANCE OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY NOT TO EXCEED \$13,000,000 AGGREGATE PRINCIPAL AMOUNT FOR THE BENEFIT OF THE COACHELLA VALLEY HOUSING COALITION, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, FOR THE ACQUISITION, CONSTRUCTION AND DEVELOPMENT OF THE ROSA GARDENS APARTMENTS AT 555 ROSA PARKS ROAD".

ITEM NO. 16

STAFF ANALYSIS:

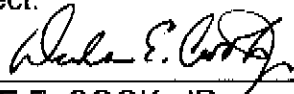
On February 20, 2008, the Community Redevelopment Agency of the City of Palm Springs approved an Owner Participation Agreement (OPA) with Coachella Valley Housing Coalition (CVHC) and the Desert Highland Associates, L.P., a California Limited Partnership, for the development of a 57-unit multi-family residential rental facility to be known as Rosa Gardens Apartments (the "Project") located on a 4.45 Acre at 555 Rosa Parks Road in the Desert-Highland Gateway Estates Neighborhood. The City Council had previously conducted a TEFRA Hearing and approved the issuance Bonds on July 9, 2008. Due to the delay in the bond issuance because of this past year's credit market condition, it is necessary to once again conduct the TEFRA hearing process as a result of the one-year lapse of time.

The project will be a mix of one, two, three and four bedroom units and will include typical site amenities such as pool, community room, laundry, and tot lots. The project will also supply a variety of community services such as computer classes, after-school programs, ESL classes, health education, and music and arts programs.

Common to all affordable housing developments, the financing structure will utilize a combination of Low Income Housing Tax Credits (LIHTC) through the California Tax Credit Allocation Committee (TCAC), tax-exempt bond financing authorized through the California Debt Limit Allocation Committee (CDLAC) and construction financing from the California Housing Finance Agency (CalHFA). Other project financial commitments include \$4.1 million of State HOME Investment Partnership Program (HOME) funds and \$4 million in State Multi-family Housing Program (MFP) funding.

FISCAL IMPACT:

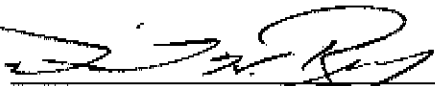
There is no fiscal impact to the City and issuance of the bonds does not obligate the City financially in any way, nor does it affect the City's bonding capacity for City-funded projects. The bonds would be repaid by CVHC through the rents received from the project.



DALE E. COOK, JR.
Community Development Administrator



THOMAS J. WILSON
Assistant City Manager



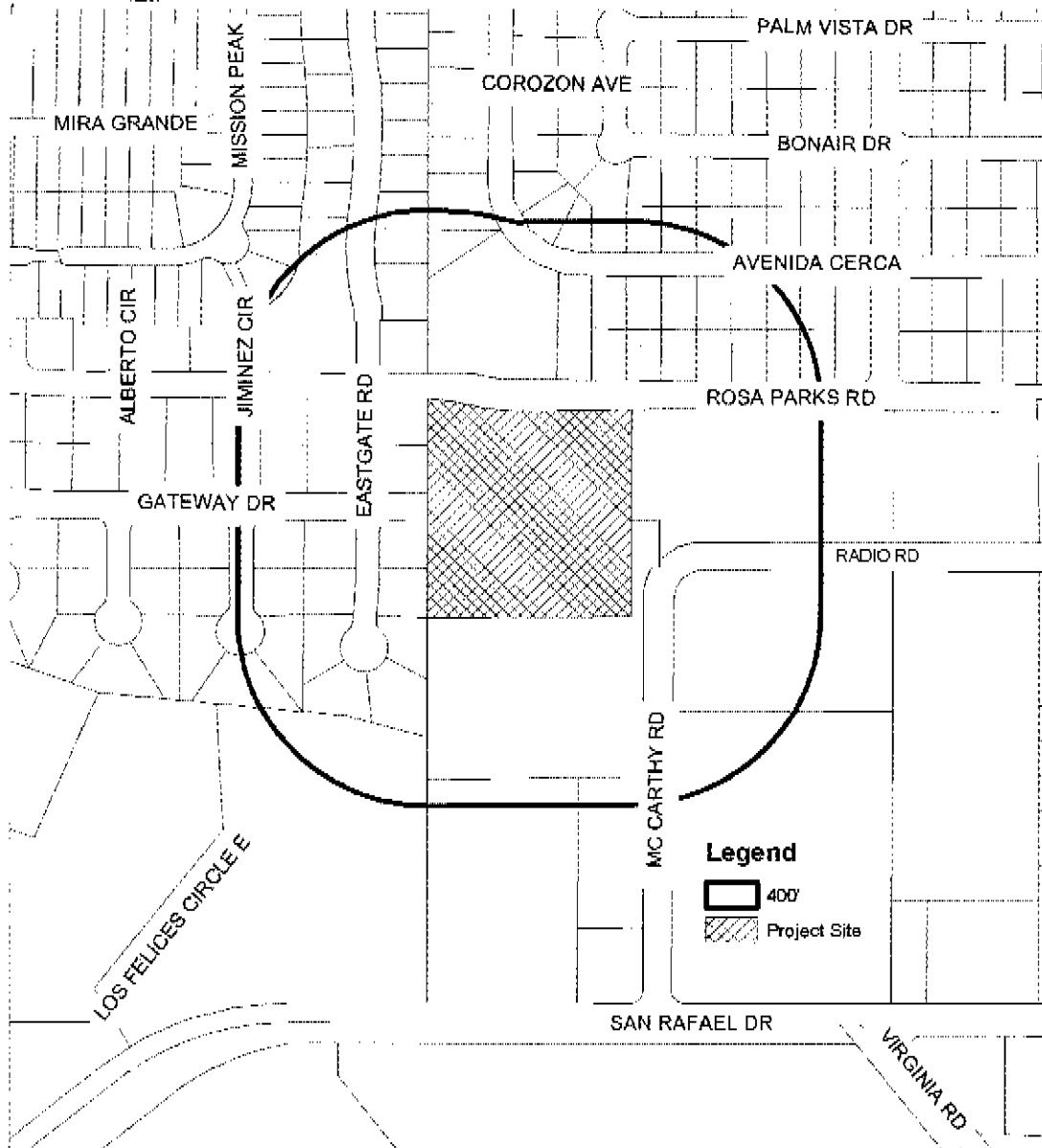
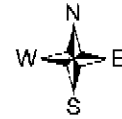
DAVID H. READY, Esq., Ph.D.
City Manager

ATTACHMENT:

1. Resolution
2. Vicinity Map



Department of Planning Services Vicinity Map



CITY OF PALM SPRINGS

CASE NO: 3.3157 MAJ

APPLICANT: Desert Highland Associates, LP

DESCRIPTION: To consider an application for Major Architectural approval of a 2-story, 59-unit affordable apartment complex on approximately 4.54 acres at the northwest corner of McCarthy Road and Radio Road, zoned R-2, Section 34, APN 669-420-009.

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS AUTHORIZING THE ISSUANCE OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY NOT TO EXCEED \$13,000,000 AGGREGATE PRINCIPAL AMOUNT FOR THE BENEFIT OF THE COACHELLA VALLEY HOUSING COALITION, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, FOR THE ACQUISITION, CONSTRUCTION AND DEVELOPMENT OF THE ROSA GARDENS APARTMENTS AT 555 ROSA PARKS ROAD

WHEREAS, the California Municipal Finance Authority (the "Authority") intends to issue tax-exempt obligations (the "Obligations") at the request of Coachella Valley Housing Coalition, a California nonprofit public benefit corporation, on behalf of and together with its successors or assigns or any limited partnership or limited liability company established by Coachella Valley Housing Coalition (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, construction and development of a 57-unit multifamily housing rental facility to be known as Rosa Gardens Apartments and to be located at 555 Rosa Parks Road in the City of Palm Springs, California (the "Project"); and

WHEREAS, the City of Palm Springs (the "City") had determined that it is in the public interest and for the public benefit that the City become a Member of the Authority in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing of projects therefore by the Authority; and

WHEREAS, the City Council of the City (the "City Council") approved entering into the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority (the "Agreement") on July 9, 2008, among certain local agencies; 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 City hold a public hearing on and approve the issuance of the Obligations; and

WHEREAS, this City Council is the elected legislative body of the City; and

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

WHEREAS, on July 15, 2009 the City Council held said public hearing, at which time an opportunity was provided to present arguments both for and against the issuance of such Bonds and the nature and location of the Project; and

WHEREAS, it is in the public interest and for the public benefit that the City approve the issuance and delivery of the Obligations for the purpose of financing the acquisition, construction and development of the Project; and

WHEREAS, the City shall not have any liability for the repayment of the Obligations or any responsibility for the Project;

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The City Council hereby approves the issuance of the Bonds in an aggregate principal amount not to exceed \$13,000,000 by the Authority. It is the purpose and intent of the City 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 City in accordance with Section 4 of the Agreement.

SECTION 3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

SECTION 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct 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, construction or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

SECTION 5. The Mayor, or designee thereof, the Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

SECTION 6. The Clerk shall forward a certified copy of this Resolution to the Authority in care of its counsel:

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 upon its adoption.

ADOPTED THIS ___ day of July, 2009.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

**CITY OF PALM SPRINGS
PUBLIC HEARING NOTIFICATION**




City Council
Meeting Date: July 15, 2009
Subject: ROSA GARDENS APARTMENTS
ISSUANCE OF TAX-EXEMPT MULTI-FAMILY REVENUE BONDS

AFFIDAVIT OF PUBLICATION

I, Kathie Hart, CMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was published in the Desert Sun on July 1, 2009.

I declare under penalty of perjury that the foregoing is true and correct.




Kathie Hart, CMC
Chief Deputy City Clerk

AFFIDAVIT OF POSTING

I, Kathie Hart, CMC, Chief Deputy City Clerk, of the City of Palm Springs, California, do hereby certify that a copy of the attached Notice of Public Hearing was posted at City Hall, 3200 E. Tahquitz Canyon Drive, on the exterior legal notice posting board and in the Office of the City Clerk on July 1, 2009.

I declare under penalty of perjury that the foregoing is true and correct.



Kathie Hart, CMC
Chief Deputy City Clerk

NOTICE OF PUBLIC HEARING
CITY COUNCIL
CITY OF PALM SPRINGS

ISSUANCE OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS
ROSA GARDENS APARTMENTS

NOTICE IS HEREBY GIVEN that the City Council of the City of Palm Springs, California, will hold a public hearing at its meeting of July 15, 2009. The City Council meeting begins at 6:00 p.m., in the Council Chamber at City Hall, 3200 E. Tahquitz Canyon Way, Palm Springs.

The purpose of this hearing is to consider approval of the issuance by the California Municipal Finance Authority of tax-exempt multi-family revenue bonds in an estimated amount of Thirteen Million Dollars (\$13,000,000), the proceeds of which will be used to assist in the financing of the acquisition, construction and development of a 57-unit multi-family residential rental facility to be know as Rosa Gardens Apartments (the "Project") located on a 4.45 Acre at 555 Rosa Parks Road in the Desert-Highland Gateway Estates Neighborhood.

The owner of the Project is expected to be Coachella Valley Housing Coalition (the "CVHC"), a California non-profit public benefit corporation, or any limited partnership or limited liability company established by CVHC.

REVIEW OF PROJECT INFORMATION: The staff report and other supporting documents regarding this matter are available for public review at the City Hall between the hours of 8:00 a.m. and 6:00 p.m., Monday through Thursday. Please contact the Office of the City Clerk at 760.323.8204 for a scheduled appointment to review these documents.

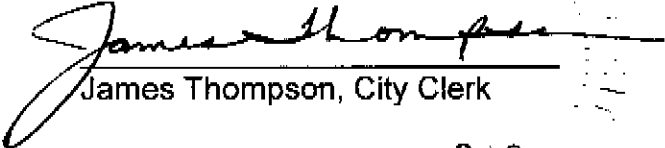
COMMENT ON THIS PROJECT: Response to this notice can be made verbally at the Public Hearing and/or in writing before the hearing. Written comments can be made to the City Council by letter (for mail or hand delivery) to:

James Thompson, City Clerk
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262-2743

Any challenge of the proposed project in court may be limited to raising only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the City Clerk at, or prior, to the public hearing. (Government Code Section 65009(b)(2)).

An opportunity will be given at said hearing for all interested persons to be heard. Questions regarding this case may be directed to Dale Cook, Community Development Administrator at Dale.Cook@palm Springs-ca.gov , or 760.323.8198/TDD 760.864.9527.

Si necesita ayuda con esta carta, porfavor llame a la Ciudad de Palm Springs y puede hablar con Nadine Fieger telefono 760.323.8245.


James Thompson, City Clerk