



Meeting Date: 09/27/11

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input checked="" type="checkbox"/> Public Hearing
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other

Prepared By: Karl Lawson *Karl Lawson* Agenda Item No. L-1
 Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance *[Signature]* Other (Specify) _____

DATE: September 12, 2011

TO: City Council

FROM: William Wilkins, Housing Director *[Signature]*

SUBJECT: Public Hearing for Issuance of Multifamily Housing Revenue Bonds for Colonial House Apartments Project, located at 705, 711, and 747 North Oxnard Boulevard.

RECOMMENDATION

That the City Council:

1. Hold a public hearing regarding the issuance of up to \$11,000,000 of multifamily housing revenue bonds by the California Statewide Communities Development Authority to finance the acquisition, construction and development of Colonial House Apartments, a 43-unit multi-family rental housing project located at 705, 711 and 747 North Oxnard Boulevard; and
2. Adopt a resolution approving the issuance of bonds.

DISCUSSION

The Colonial House Apartments Project is a forty-three unit affordable housing project located on North Oxnard Boulevard, on the site that once housed the Colonial House restaurant and hotel. The project is being developed by Pacific West Communities, Inc.

A primary source of funds to finance the acquisition, construction and development of the project would be the proceeds of tax-exempt multifamily housing revenue bonds ("Bonds") proposed to be issued by the California Statewide Communities Development Authority ("the Statewide Authority"). The Bonds would be payable solely from revenues derived from the project. The City would have no responsibility with respect to the issuance or repayment of the Bonds.

The Statewide Authority is authorized pursuant to the provisions of the California Government Code Section 6500 et seq. and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated June 1, 1988, among certain local agencies throughout the State of California, including the City of Oxnard, 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.

Section 147(f) of the Internal Revenue Code of 1986 ("Tax Code") requires that, in order for the interest on a private activity bond to be excluded from the gross income of the owner of the bond (i.e., tax-exempt), an "applicable elected representative" of the governmental unit issuing the bond must approve the issuance of the bond after a public hearing following reasonable public notice. Such public hearing is known as a Tax Equity and Financial Responsibility Act ("TEFRA") hearing. The proposed Bond issue by the Statewide Authority is classified as private activity bonds for purposes of the Tax Code. The Tax Code provides that a governmental unit with elected representatives and jurisdiction over the area in which the project to be financed is located, in this case the City Council, is an "applicable elected representative" with respect to the bond issue.

Staff recommends that the City Council conduct the public hearing regarding the financing of the project with proceeds of the Bonds, and adopt a resolution approving the issuance of the Bonds by the Statewide Authority. Notice of the public hearing was published in VIDA Newspaper on September 8, 2011, and in the Ventura County Star on September 13, 2011. Bond Counsel has advised that the City will incur no obligation whatsoever by reason of its holding of the public hearing and approval of the issuance of the Bonds by the Statewide Authority.

FINANCIAL IMPACT

There is no financial impact to the City in connection with the City Council's adoption of a resolution approving the issuance of the Bonds by the Statewide Authority.

Attachment #1 – City Council Resolution

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
APPROVING THE ISSUANCE BY THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY OF MULTIFAMILY
HOUSING REVENUE BONDS FOR THE COLONIAL HOUSE
APARTMENTS PROJECT**

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 City of Oxnard (the "City"), 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, Oxnard Pacific Associates, a California Limited Partnership 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, and at no time to exceed \$11,000,000 in outstanding aggregate principal amount, to finance the acquisition, construction and development of a 43-unit multifamily rental housing project located at 705, 711 and 747 North Oxnard Boulevard, Oxnard, California, generally known as Colonial House Apartments Project (the "Project") and operated by Cambridge Real Estate Services; 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 City Council (this "City Council") are the applicable elected representatives of the City; and

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

Section 1. The above recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds and the Refunding Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the Bonds solely for the purposes of (a) Section 147(f) of the Code and (b) Section 9 of the Agreement.

Section 3. The Bonds will not constitute a debt, liability or obligation of the City.

Section 4. The officers of the City 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 5. The City Clerk shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the hearing notice to:

Justin Cooper, Esq.
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, California 94105

Section 6. This resolution shall take effect immediately upon its passage.

