

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

|  |  |                                    |   |   |  |
|--|--|------------------------------------|---|---|--|
| (1) DEPARTMENT<br>Planning and Building  |  | (2) MEETING DATE<br>April 11, 2006 |   | (3) CONTACT/PHONE<br>Dana Lilley, Supervising Planner<br>(805) 781-5715 |  |
| (4) SUBJECT<br>Request by People's Self-Help Housing Corporation to approve the issuance of tax-exempt bonds by the California Statewide Communities Development Authority to finance construction of Lachen Tara Apartments, a 33-unit affordable rental housing development in Avila Beach.  |  |                                    |   |   |  |
| (5) SUMMARY OF REQUEST<br>The nonprofit People's Self-Help Housing Corporation (PSHHC) proposes to finance a portion of the cost of constructing 33 affordable apartments in Avila Beach (Lachen Tara) with borrowed funds through tax-exempt bonds. The County provided the site and is providing at least \$1.225 million in federal HOME funds, but the project will still require up to \$6 million more. The County can enable the California Statewide Communities Development Authority (CSCDA) to issue tax-exempt bonds for this project by approving the attached resolution. The County is already a member of CSCDA, but the County will not incur any financial or legal liability for the proposed tax-exempt bonds. |  |                                    |   |   |  |
| (6) RECOMMENDED ACTION<br>Adopt the attached resolution approving the issuance of tax-exempt bonds by the California Statewide Communities Development Authority for purposes of financing construction of Lachen Tara Apartments in Avila Beach.  |  |                                    |   |   |  |
| (7) FUNDING SOURCE(S)<br>Tax-exempt bonds  |  | (8) CURRENT YEAR COST<br>NA        |   | (9) ANNUAL COST<br>NA   |  |
| (10) BUDGETED?<br><input type="checkbox"/> YES <input checked="" type="checkbox"/> N/A<br><input type="checkbox"/> NO  |  |                                    |   |   |  |
| (11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST):<br>County Counsel, County Auditor-Controller  |  |                                    |   |   |  |
| (12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____<br><input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____   |  |                                    |   |   |  |
| (13) SUPERVISOR DISTRICT(S)<br><input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input checked="" type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input type="checkbox"/> All   |  |                                    | (14) LOCATION MAP<br><input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A  |   |  |
| (15) AGENDA PLACEMENT<br><input type="checkbox"/> Consent <input checked="" type="checkbox"/> Hearing (Time Est. <u>10 minutes</u> )<br><input type="checkbox"/> Presentation <input type="checkbox"/> Board Business  |  |                                    | (16) EXECUTED DOCUMENTS<br><input checked="" type="checkbox"/> Resolutions (Orig+4copies) <input type="checkbox"/> Contracts (Orig+4copies)<br><input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A |   |  |
| (17) NEED EXTRA EXECUTED COPIES?<br><input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A   |  |                                    | (18) APPROPRIATION TRANSFER REQUIRED?<br><input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A  |   |  |

(19) ADMINISTRATIVE OFFICE REVIEW

*Dana Lilley*

G-3  
(4-11-06)



SAN LUIS OBISPO COUNTY  
DEPARTMENT OF PLANNING AND BUILDING

VICTOR HOLANDA, AICP  
DIRECTOR

**TO: BOARD OF SUPERVISORS**

**FROM: DANA LILLEY, SUPERVISING PLANNER**

**VIA: JOHN EUPHRAT, AICP, LONG-RANGE PLANNING DIVISION MANAGER**

**DATE: APRIL 11, 2006**

**SUBJECT: REQUEST BY PEOPLE'S SELF-HELP HOUSING CORPORATION TO APPROVE THE ISSUANCE OF TAX-EXEMPT BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE CONSTRUCTION OF LACHEN TARA APARTMENTS, A 33-UNIT AFFORDABLE RENTAL HOUSING DEVELOPMENT IN AVILA BEACH**

**Recommendation**

Adopt the attached resolution approving the issuance of tax-exempt bonds by the California Statewide Communities Development Authority for purposes of financing construction of Lachen Tara Apartments in Avila Beach.

**Discussion**

Lachen Tara Apartments is a proposed 33-unit affordable apartment project in Avila Beach located on Laurel Street. The County obtained the site from Unocal to facilitate development of new affordable housing, since some previously existing affordable housing was demolished as part of the Avila Beach cleanup years ago. The County selected PSHHC to take ownership of the site and develop the affordable rental housing after soliciting and evaluating proposals from three potential entities. The County subsequently transferred ownership of the site to PSHHC, allocated \$1.225 million in federal HOME funds, and will consider allocating additional HOME funds on April 25, 2006.

PSHHC estimates that construction of the project could require up to \$6 million more than is available from the County or other sources. Therefore, PSHHC has asked the California Statewide Communities Development Authority (CSCDA) to issue tax-exempt bonds to complete the financing for the project. The County is a member of CSCDA, but the County's involvement in the tax-exempt financing is limited to approving the issuance of the bonds through this hearing item. The County does not incur any legal or financial liability through this approval.

**Other Agency Involvement/Impact**

The Auditor-Controller was consulted and he agreed that the Debt Advisory Committee need not be asked to review this request because it does not constitute debt for the County. The County has reviewed and approved similar requests involving issuance of tax-exempt bonds for affordable housing at least three times previously.

**Financial Considerations**

The proposed tax-exempt bond financing itself will not increase the amount of federal HOME funds the County is allocating for this affordable housing project. In fact, without the tax-exempt financing, the project might require additional funds from the County in order to be completed.

**Results**

The proposed tax-exempt bond financing will enable construction of 33 apartments in Avila Beach affordable to very low and low income households.



**IN THE BOARD OF SUPERVISORS**  
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

\_\_\_\_\_ day \_\_\_\_\_, 2006

**PRESENT:** Supervisors

**ABSENT:**

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING THE APPROVING THE ISSUANCE OF TAX-EXEMPT BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR A PARTNERSHIP OR LIMITED LIABILITY COMPANY OF WHICH PEOPLE'S SELF-HELP HOUSING CORPORATION OR AN AFFILIATE IS A PARTNER OR MEMBER WITH RESPECT TO A MULTIFAMILY APARTMENT PROJECT IN AVILA BEACH

The following resolution is now offered and read:

WHEREAS, the California Statewide Communities Development Authority (the "Authority"), of which the County of San Luis Obispo (the "County") is a member pursuant to the provisions of that certain Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority, dated as of June 1, 1988 (the "Agreement"), is authorized by the laws of the State of California (the "Law") to issue tax-exempt obligations and taxable obligations for the purpose of financing multifamily rental housing to be occupied, in whole or in part, by persons or families of low and very low income; and

WHEREAS, Peoples' Self-Help Housing Corporation, a California nonprofit corporation, intends to form a partnership or limited liability company of which Peoples' Self-Help Housing Corporation or an affiliate will be a partner or member (the "Borrower"), and has requested the Authority to cause the issuance of tax-exempt bonds (the "Bonds") in the not-to-exceed amount of \$6,000,000, the proceeds of which shall be used for the purpose of financing the acquisition and construction of a 33-unit multifamily housing apartment project located at the corner of Laurel Street and Avila Beach Drive, Avila Beach, County of San Luis Obispo, California 93424 (the "Project"); and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986 (the "Code") requires that the "applicable elected representative" with respect to the Project to approve the issuance of the Bonds with respect to the Project after a public hearing has been held concerning the issuance and delivery of the Bonds with respect to the Project;

WHEREAS, this Board of Supervisors has held said public hearing at which all those interest in speaking with respect to the financing of the Project were heard;



NOW, THEREFORE, be it resolved by the Board of Supervisors of the County of San Luis Obispo, as follows:

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

Section 2. This Board of Supervisors hereby approves the issuance of the Bonds with respect to the Project by the Authority.

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

Section 4. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Bonds, including, but not limited to, any fees and expenses incurred by the County in anticipation of the issuance of the Bonds. The payment of the principal, prepayment premium, if any, and purchase price of and interest on the Bonds shall be solely the responsibility of Borrower. The Bonds shall not constitute a debt or obligation of the County.

Section 5. This Board of Supervisors hereby determines that it is appropriate for the Authority to cause the issuance of the Bonds to finance the acquisition and construction of the Project and hereby approves the issuance of the Bonds. It is the purpose and intent of This Board of Supervisors that this resolution constitutes approval of the Bonds for the purposes of Section 9 of the Agreement.

Section 6. The adoption of this Resolution is solely for the purpose of meeting the requirements of the Code and Section 9 of the Agreement and shall not be construed in any other manner, the County nor its staff having fully reviewed or considered the financial feasibility of the financing of the Project or the expected operation of the Project with regards to any State of California statutory requirements, and such adoption shall not obligate, without further formal action to be taken by this Board of Supervisors, (i) the County to provide financing to the Borrower for the financing of the acquisition and construction of the Project or to cause the delivery of the Bonds for the purpose of such financing; or (ii) the County, or any department of the County, to approve any application or request for, or take any other action in connection with the ownership or operation of the Project.

Section 7. This Resolution shall take effect immediately upon its adoption.



