



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Council



Date: February 10, 2014
Board Meeting Date: March 11, 2014
Special Notice / Hearing: 14 Day Public Notice
Vote Required: Majority

To: Honorable Board of Supervisors

From: John C. Beiers, County Counsel

Subject: Public Hearing and Resolution Approving Independent Cities Finance
Authority Issuance of bonds for the benefit of the Pillar Ridge Manufactured
Home Community

RECOMMENDATION:

- A) Conduct a public hearing under the Tax Equity and Fiscal Responsibility Act, and regarding the issuance of bonds by the Independent Cities Finance Authority in an aggregate principal amount not to exceed \$34,000,000 for the purpose of refunding certain revenue bonds previously issued by the Independent Cities Finance Authority, the proceeds of which were loaned to COACH of San Diego, Inc., a California nonprofit public benefit corporation, in order to finance the acquisition and renovation of a 227 space mobile home park known as the Pillar Ridge Manufactured Home Community located at 164 Culebra Lane., Moss Beach, California; and to finance additional renovations to be made to the Pillar Ridge Manufactured Home Community, and to finance certain costs of issuing bonds; and
- B) Adopt a Resolution approving the issuance of bonds by the Independent Cities Finance Authority for the benefit of the Pillar Ridge Manufactured Home Community.

BACKGROUND:

The Independent Cities Finance Authority (the "Authority") is a Joint Powers Authority that was

formed for the purpose, among others, of assisting its Members (Public Agencies) and Associate Members (Local Agencies) in the raising of capital to finance the capital improvement needs of Local Agencies, to provide for home mortgage financing with respect to those Members or Associate Members that are either a city or a county of the State of California, to provide financing in connection with the improvement, construction, acquisition, creation, rehabilitation and preservation of affordable housing within the boundaries of the Members and Associate Members, and to provide financing in accordance with the provisions of applicable law in connection with other projects and programs that are in the public interest and which benefit Members and Associate Members. This includes making loans to tax-exempt organizations from the proceeds

of mortgage revenue bonds to finance the acquisition of multifamily rental housing, including mobile home parks, under the provisions of Chapter 8 of Part 5 of Division 31 (commencing with Section 52100) of the Health and Safety Code. San Mateo County (the "County") is an Associate Member of the Authority.

DISCUSSION:

Coach of San Diego, LLC (the "Borrower") has requested that the Authority serve as the issuer of bonds in an aggregate principal amount not to exceed \$34,000,000 (the "Bonds"). The proceeds from the sale of the Bonds, if any are issued, are intended to be used to make a loan to the Borrower, or an affiliate thereof, to be used to (i) refund certain revenue bonds previously issued by the Authority, the proceeds of which were loaned to COACH of San Diego, Inc. in order to finance the acquisition and renovation of the 227-space mobile home park known as the Pillar Ridge Manufactured Home Community located at 164 Culebra Lane., Moss Beach, California 94038 (the "Project"), (ii) finance additional renovations to be made to the Project and (iii) finance certain costs of issuing the Bonds. The Borrower will be the owner and operator of the Project.

In order for all or a portion of the Bonds to qualify as tax-exempt obligations, the County, as the Authority member within whose jurisdiction the Project is sited, must conduct a public hearing (the "TEFRA Hearing") to provide the members of the community an opportunity to speak in favor of or against the use of tax-exempt obligations for the financing of the Project. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. A Notice of Public Hearing was published in San Mateo County on or before February 24, 2014, notifying all interested persons that a public hearing would be held on March 11, 2014 by the County for the purpose of approving the financing.

The Bonds to be issued by the Authority 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 Bonds of the County or the State of California, but are to be paid for solely from funds provided by the Borrower.

Participation by the County as anticipated 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 and 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.

Approving and authorizing the issuance of the Bonds will contribute to the Shared Vision 2025 outcome of Collaborative Community by supporting fiscal accountability.

FISCAL IMPACT:

The County will receive 25% of the issuance fee from the Authority, which is estimated to be approximately \$15,000 if the full amount of the Bonds is issued. These funds can be used at the County's discretion. There will be no other fiscal impact to the County associated with any bonds that are issued.