



**City of Grass Valley
City Council and Redevelopment Agency
Agenda Action Sheet**

Council Meeting Date: February 9, 2010 **Date Prepared:** February 2, 2010

Prepared by: Joe C. Heckel, Community Development Director
Jeri Amendola, Housing / Economic Development Specialist

Title: Approval of Revenue Bonds in an aggregate principal amount not to exceed \$40 million, from the ABAG Finance Authority for Non-Profit Corporations for the acquisition and rehabilitation of senior residential and care facilities within Northern California including Grass Valley owned by Eskaton Village – Grass Valley.

Agenda: Public Hearing and approve Resolution 2010-07.

Recommended Motion: Conduct public hearing as required by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and adopt Resolution 2010-07 approving the financing of up to \$40 million in tax exempt bonds (the “Bonds”) for Eskaton Village – Grass Valley.

Background Information: Eskaton Properties Inc. has applied to the ABAG Finance Authority for Non-Profit Corporations to refinance the purchase and rehabilitation of certain Eskaton facilities in Northern California. Eskaton Properties has a senior residential and care facility located within Grass Valley at 625 Eskaton Circle that was constructed in 2002. Eskaton has requested the issuance of tax-exempt bonds in the amount of \$40 million. Proceeds of the bonds are for the purpose of making a loan to finance and refinance the acquisition and construction of capital improvements, for and additions to, a senior residential and care facility located in Grass Valley.

In order for the tax-exempt debt to be issued in Grass Valley, the City must conduct an advertised public hearing pursuant to the provisions of TEFRA. The City has previously conducted TEFRA hearings to support the issuance of tax exempt bonds for projects having community benefit. Most recently, the City approved by resolutions the financing of tax-exempt bonds for multi-family residential units, Valley View Commons on May 27, 2008, and Springhill Gardens Apartment on February 26, 2008. Also, on December 9, 2008, the City conducted a TEFRA hearing and approved tax exempt bonds in the amount of \$60 million for various Eskaton properties but those bonds were not issued. The City’s participation in the bond issuance process has no fiscal impact, except that the City shall benefit from the fees, permits and tax increments associated with acquisition and rehabilitation of the project.

Funds Available: Not Applicable **Account #:** N/A

Route to be Reviewed by:

_____ City Administrator _____ Finance

Action:

_____ Approved _____ Approved with Modifications
_____ Denied _____ Other