

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 10/16/2018 by the following vote:

AYE:
NO:
ABSENT:
ABSTAIN:
RECUSE:



Resolution No. 2018/489

RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,816,192 TO FINANCE THE ACQUISITION AND REHABILITATION OF MULTIFAMILY RENTAL HOUSING FACILITIES FOR ANTIOCH RECAP, L.P., AND OTHER MATTERS RELATING THERETO

WHEREAS, the County of Contra Costa (the "County") is authorized pursuant to Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") to issue bonds and notes for the purpose of financing multifamily rental housing facilities; and

WHEREAS, in accordance with the Act, in 2000 the County issued \$1,470,000 principal amount of its Multifamily Housing Revenue Refunding Bonds (Pinecrest Apartments), 2000 Series B (the "2000 Bonds") pursuant to an Indenture, dated as of November 1, 2000 (the "2000 Indenture"), between the County and Wells Fargo Bank, National Association, as trustee (the "2000 Trustee"), and loaned the proceeds of the 2000 Bonds to Pinecrest Affordable Housing, L.P., a California limited partnership (the "Current Owner"), the proceeds of which loan were used by the Current Owner to finance a 24 unit residential rental housing facility known as Pinecrest Apartments, located at 1945 and 1949 Cavallo Road in the City of Antioch; and

WHEREAS, the Current Owner is selling Pinecrest Apartments to Antioch Recap, L.P., a California limited partnership (the "Borrower"); and

WHEREAS, the Borrower has requested that the County issue multifamily housing revenue bonds (the "Bonds") and loan the proceeds of the Bonds to the Borrower to finance the acquisition by the Borrower of Pinecrest Apartments from the Current Owner, as well as finance the rehabilitation of the Pinecrest Apartments and the acquisition and rehabilitation by the Borrower of a 32 unit residential rental housing facility known as Terrace Glen Apartments, located at 104-106 West 20th Street and 35-107 West 20th Street in Antioch (Pinecrest Apartments and Terrace Glen Apartments being collectively referred to below as the "Project"); and

WHEREAS, on March 6, 2018, the Assistant Deputy Director of the Department of Conservation and Development of the County held a public hearing on the proposed issuance of the Bonds by the County for, and the financing, ownership and operation of, the Project, as required under the provisions of the Internal Revenue Code (the "Code") applicable to tax-exempt obligations, following published notice of such hearing, and communicated to the Board of Supervisors of the County all written and oral testimony received at the hearing; and

WHEREAS, on March 20, 2018, the Board of Supervisors of the County adopted Resolution No. 2018/106 authorizing the issuance of the Bonds to finance the Project in satisfaction of public approval requirements of the Code; and

WHEREAS, the California Debt Limit Allocation Committee ("CDLAC") adopted its Resolution No. 18-033 on May 16, 2018 allocating \$9,260,000 of the State of California ceiling on private activity bonds for 2018 to the County for the purpose of financing the Project, and on September 19, 2018, CDLAC adopted its Resolution No. 18-090 allocating an additional \$1,556,192 of the State of California ceiling on private activity bonds for 2018 to the County for the purpose of financing the Project; and

WHEREAS, in order to assist in the financing of the Project, the County has determined to issue the Bonds, as authorized by the Act, and sell the Bonds to Wells Fargo Bank, National Association (the "Bank"); and

WHEREAS, it is proposed that the Bonds be issued pursuant to an indenture of trust (the "Indenture"), between the County and

the Bank, and that the proceeds of the sale of the Bonds to the Bank be used to make a loan to the Borrower pursuant to a loan agreement (the "Loan Agreement") among the Bank, the County and the Borrower, with amounts due from the County to the Bank under the Bonds and the Indenture to be payable solely from amounts paid by the Borrower under the Loan Agreement; and

WHEREAS, there have been prepared various documents with respect to the termination of an agreement related to the 2000 Bonds and the issuance by the County of the Bonds, copies of which are on file with the Clerk of the Board, and the Board of Supervisors now desires to approve the issuance of the Bonds and the execution and delivery of such documents by the County; and

WHEREAS, upon receipt by the County of the Second Allocation all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Bonds as contemplated by this Resolution and the documents referred to herein will exist, will have happened and will have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Contra Costa, as follows:

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

Section 2. The Board of Supervisors hereby approves the sale of Pinecrest Apartments by the Current Owner to the Borrower.

Section 3. The Termination Agreement, among the County, the 2000 Trustee and the Current Owner terminating a regulatory agreement and declaration of restrictive covenants (the "2000 Regulatory Agreement") recorded against Pinecrest Apartments in connection with the 2000 Bonds (the "Termination Agreement"), in the form on file with the Clerk of the Board, is hereby approved. Any one of the Chair of the Board of Supervisors, the Vice-Chair of the Board of Supervisors, the County Administrator, the Director of Conservation and Development, the Assistant Deputy Director of Conservation and Development and the Community Development Bond Program Manager (collectively, the "Designated Officers"), acting alone, is hereby authorized, for and in the name and on behalf of the County, to execute and deliver the Termination Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Termination Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 11 hereof), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Termination Agreement by the County.

Section 4. Pursuant to the Act and the Indenture, the Bonds designated as "County of Contra Costa Multifamily Housing Revenue Bonds (Antioch Scattered Site Renovation), Series 2018A" in an aggregate principal amount of not to exceed \$10,816,192, are hereby authorized to be issued. The Bonds shall be executed by the manual or facsimile signature of the Chair of the Board of Supervisors (the "Chair"), in the form set forth in and otherwise in accordance with the Indenture.

Section 5. The Indenture between the County and the Bank (the "Indenture"), in the form on file with the Clerk of the Board, is hereby approved. Any one of the Designated Officers, acting alone, is hereby authorized, for and in the name and on behalf of the County, to execute and deliver the Indenture in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Indenture upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 11 hereof, provided that no additions or changes shall authorize an aggregate principal amount of the Bonds in excess of the amount set forth in Section 4 above), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Indenture by the County. The date, maturity date, interest rate or rates, privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 6. The Loan Agreement among the Bank, the County and the Borrower, in the form on file with the Clerk of the Board, is hereby approved. Any one of the Designated Officers, acting alone, is hereby authorized to execute and deliver the Loan Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Loan Agreement upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 11 hereof), the approval of such changes to be conclusively evidenced by the execution and delivery of the Loan Agreement by the County.

Section 7. The two regulatory agreements and declarations of restrictive covenants relating to the Project, each between the County and the Borrower (collectively, the "Regulatory Agreements"), in the respective forms on file with the Clerk of the Board, are hereby approved. Any one of the Designated Officers is hereby authorized, acting alone, for and in the name and on behalf of the County, to execute and deliver the Regulatory Agreements in said forms, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Regulatory Agreements upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance

with Section 11 hereof), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Regulatory Agreements by the County.

Section 8. The Assignment of Deed of Trust and Loan Documents, by the County to the Bank (the "Assignment"), in the form on file with the Clerk of the Board, is hereby approved. Any one of the Designated Officers is hereby authorized, acting alone, for and in the name and on behalf of the County, to execute and deliver the Assignment in said form, together with such additions thereto or changes therein as are recommended or approved by the Designated Officer executing the Assignment upon consultation with Bond Counsel to the County (including such additions or changes as are necessary or advisable in accordance with Section 11 hereof), the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Assignment by the County.

Section 9. The Bonds, when executed, shall be delivered to the Bank (as the purchaser of the Bonds), in accordance with written instructions executed on behalf of the County by any one of the Designated Officers of the County, which instructions said officers are hereby authorized, for and in the name and behalf of the County, to execute and deliver. Such instructions shall provide for the delivery of the Bonds to the Bank upon the funding by the Bank of the initial advance of the purchase price of the Bonds as described in Section 3.03(b) of the Indenture.

Section 10. The law firm of Quint & Thimmig LLP is hereby designated as Bond Counsel to the County for the Bonds. The fees and expenses of such firm for matters related to the Bonds shall be payable solely from the proceeds of the Bonds or contributions by the Borrower.

Section 11. All actions heretofore taken by the officers and agents of the County with respect to the issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the County, including the Designated Officers, are hereby authorized and directed, for and in the name and on behalf of the County, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to facilitate the sale of Pinecrest Apartments to the Borrower, the redemption of the 2000 Bonds and the termination of the 2000 Regulatory Agreement, as well as the lawful issuance and delivery of the Bonds in accordance with this Resolution, including but not limited to any certificates, agreements and other documents described in the Termination Agreement, the Indenture, the Loan Agreement, the Regulatory Agreements or the Assignment, or otherwise necessary to redeem the 2000 Bonds, to terminate the 2000 Regulatory Agreement, to issue the Bonds and to consummate the transactions contemplated by the documents approved by this Resolution.

Section 12. This Resolution shall take effect upon its adoption.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: October 16, 2018

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Kara Douglas 925-674-7880

By: , Deputy

cc: