



Contra
Costa
County

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: June 9, 2015

Subject: Inducement Action for Multifamily Residential Rental Housing Development - The Oaks, Walnut Creek

RECOMMENDATION(S):

ADOPT Resolution No. 2015/199 conditionally providing for the issuance of revenue bonds in an amount not to exceed \$8 million to enable private owners to finance the acquisition and rehabilitation of The Oaks, a multifamily residential rental housing development for families, located at 3073 North Main Street (APN 170-100-029) in the City of Walnut Creek, California.

FISCAL IMPACT:

None. In the event that the bonds are issued, the County is reimbursed for costs incurred in the issuance process. Annual expenses for monitoring of Regulatory Agreement provisions are accommodated in the bond issue. The bonds will be solely secured by revenues (e.g. rents, reserves, etc.) pledged under the bond documents. No County funds are pledged to secure the bonds.

BACKGROUND:

This is a re-submittal of item C.88 from the May 5, 2015 Board of Supervisors meeting due to a technical issue with the resolution.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **06/09/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I
Supervisor
Candace Andersen, District II
Supervisor
Mary N. Piepho, District III
Supervisor
Karen Mitchoff, District IV
Supervisor

ABSENT: Federal D. Glover, District V
Supervisor

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: June 9, 2015

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

By: Stephannie L. Mello, Deputy

Contact: Kristen Lackey (925)
674-7888

cc:

Contra Costa County, through the Conservation and Development Department, operates a multifamily mortgage revenue bond financing program. The purpose of the program is to increase or preserve the supply of affordable rental housing available to lower income households and very low income households. The County program may be undertaken within the unincorporated County and within the cities.

BACKGROUND: (CONT'D)

EAH, Inc. (EAH), has requested to participate in the County's multifamily mortgage revenue bond financing program. Through a limited partnership, EAH currently owns the Oaks, a 37-unit multifamily rental housing facility for families located at 3073 North Main Street (APN 170-100-029) in the City of Walnut Creek, California. They propose to form a new limited partnership with EAH, or one of its affiliates, as managing general partner, and a to-be-named tax credit investor as a limited partner to acquire and rehabilitate the facility. The proposed development meets the eligibility criteria for bond financing, and the proposed plan of finance is consistent with County policy for this program.

The City of Walnut Creek Housing Subcommittee has reviewed the proposed refinancing and recommended approval by the Walnut Creek City Council. The City Council adopted a resolution at its April 21, 2015 meeting expressing their support of the refinance and rehabilitation of The Oaks and the issuance of tax-exempt bonds facilitated by the County.

A requirement of federal tax law is that the prospective financing be subject to a conditional statement of intent to issue bonds, i.e. an inducement resolution must be adopted by the Board of Supervisors. The inducement action does not obligate the County or the owner without future discretionary actions.

CONSEQUENCE OF NEGATIVE ACTION:

Without the Inducement Resolution, EAH will not be able to commence with the process of applying to the California Debt Limit Allocation Committee for multifamily mortgage revenue bond authority through the County in an amount not to exceed \$8 million.

ATTACHMENTS

Resolution No. 2015/199