



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: August 18, 2015

Subject: Inducement Action for Multifamily Project - Mission Bay Apartments, Bay Point

RECOMMENDATION(S):

ADOPT Resolution No. 2015/297 to conditionally provide for the issuance of revenue bonds in an amount not to exceed \$15 million to finance the development of Mission Bay Apartments, a multifamily rental housing development to be located at 1056 Weldon Lane in the unincorporated area of Bay Point (APN 098-240-060-8), as recommended by the Director of Conservation and Development.

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.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **08/18/2015** ☒ 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: August 18, 2015

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

By: Stephanie L. Mello, Deputy

Contact: Kristen Lackey (925)
674-7888

cc:

BACKGROUND:

Contra Costa County, through the Department of Conservation and Development, 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. The County program may be undertaken within the unincorporated County and within the cities.

KDF Communities has requested to participate in the County's multifamily mortgage revenue bond financing program. They propose to acquire and rehabilitate Mission Bay Apartments, a 120-unit multifamily rental housing project located at 1056 Weldon Lane in the unincorporated area of Bay Point. The proposed development meets the eligibility criteria for bond financing, and the proposed plan of finance appears to be consistent with County policy for this program. The prospective owner of the project will be Mission Bay 1056, LP, a limited partnership between KDF Communities, or one of its affiliates, as managing general partner, and a to-be-named tax credit investor as a limited partner. A description of the project can be found in Exhibit A.

A requirement of federal tax law is that the prospective financing be subject to a conditional statement of intent to issue bonds; therefore, an inducement resolution must be adopted by the Board of Supervisors. The inducement action does not obligate the County or the owner. Future discretionary action of the Board of Supervisors would be necessary before bonds could be issued.

CONSEQUENCE OF NEGATIVE ACTION:

Without the Inducement Resolution, Mission Bay 1056, LP will not be able to commence with the process of applying to the California Debt Limit Allocation Committee for an allocation of multifamily mortgage revenue bond authority through the County in an amount not to exceed \$15 million.

CHILDREN'S IMPACT STATEMENT:

Not applicable.

ATTACHMENTS

Resolution No. 2015/297

Exhibit A Mission Bay Inducement