



**Contra  
Costa  
County**

To: Board of Supervisors  
From: John Kopchik, Director, Conservation & Development Department  
Date: October 6, 2015

Subject: Reimbursement Resolution for Multifamily Residential Rental Housing Development - East Bluff Apartments, Pinole

**RECOMMENDATION(S):**

ADOPT Resolution No. 2015/369 conditionally providing for the issuance of revenue bonds in an amount not to exceed \$40 million to enable private owners to finance the acquisition and rehabilitation of the East Bluff Apartments, a multifamily residential rental housing development, located at 1813 Marlesta Court (APN 401-240-032) in the City of Pinole, California (the "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 ensuring certain units in the Development will be rented to low income households are accommodated in the bond issue. The bonds will be solely secured by and payable from revenues (e.g. Development rents, reserves, etc.) pledged under the bond documents. No County general funds are pledged to secure the bonds.

**BACKGROUND:**

Contra Costa County, through the Conservation and Development Department, operates a multifamily mortgage revenue bond financing program. The purpose of the program is to

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/06/2015** ☒ 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  
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: October 6, 2015

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

By: Stephanie L. Mello, Deputy

Contact: Kristen Lackey (925)  
674-7888

cc:

increase or preserve the supply of affordable rental housing available to low and very low income households. The County program may be undertaken within the unincorporated County and within the cities located in the County who have agreed to let the County operate the program in their jurisdiction.

## BACKGROUND: (CONT'D)

Eden Housing, Inc. (Eden), has requested to participate in the County's multifamily mortgage revenue bond financing program. Through a limited partnership that it has sponsored, Eden currently owns the East Bluff Apartments, a 144-unit multifamily rental facility for families located at 1813 Marlesta Court (APN 401-240-032) in the City of Pinole, California. They propose to form a new limited partnership with Eden, 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.

A requirement of federal tax law is that the prospective financing be subject to a conditional statement of intent to issue bonds to reimburse expenses incurred prior to the date the bonds are issued, i.e. a reimbursement resolution must be adopted by the Board of Supervisors. Also, the California Debt Limit Allocation Committee, which must allocate tax-exempt bond authority to the bond issue, requires that a reimbursement resolution be adopted before application can be made for such an allocation. The adoption of a reimbursement resolution will not obligate the County or the owner without future discretionary actions, but will indicate the intent of the County to issue the bonds if all conditions in the resolution have been satisfied.

Eden applied for County Community Development Block Grant (CDBG) funds, and received approval from the Affordable Housing Finance Committee at its September 21, 2015 meeting. The Board will be asked to consider approval of the CDBG allocation under a separate Board Order at this October 6, 2015 meeting. The City of Pinole supports the project and the County's involvement in its financing.

## CONSEQUENCE OF NEGATIVE ACTION:

Without the Reimbursement Resolution, Eden 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.

## CHILDREN'S IMPACT STATEMENT:

The East Bluff Apartments provide 144 units of affordable rental housing appropriate for families. This supports outcome #3: Families are Economically Self Sufficient.

## ATTACHMENTS

Resolution No. 2015/369