



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: November 3, 2015

Subject: Multifamily Housing Revenue Bonds - East Bluff Apartments, Pinole

RECOMMENDATION(S):

1. ADOPT Resolution No. 2015/405 authorizing the issuance of Multifamily Housing Revenue Bonds (the "Bonds") in an amount not to exceed \$40,000,000 to provide financing for the costs of acquisition and rehabilitation of East Bluff Apartments, a 144-unit residential rental housing development located at 1813 Marlesta Court (APN 401-240-032) in the City of Pinole, California (the "Development").
2. FIND and DECLARE that the recitals contained in the proposed Resolution are true and correct.
3. ACKNOWLEDGE that for purposes of Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Revenue Bonds (the "Bonds") to finance the costs of the acquisition and rehabilitation of East Bluff Apartments subject to Board of Supervisors approval of all documents related to the Bonds to which the County is a party.
4. ACKNOWLEDGE that adoption of this resolution does not relieve or exempt the borrower from obtaining required permits or approvals, nor obligate the County to incur any obligation or provide financial assistance with respect to the Bonds or the Development; and
5. AUTHORIZE and DIRECT any authorized officer of the County to do any and all

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **11/03/2015** ☒ 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: November 3, 2015

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

By: Stephanie L. Mello, Deputy

Contact: Kristen Lackey (925)
674-7888

cc:

things, take any and all actions, and execute and deliver any and all certificates, agreements, and other documents, which the officer may deem necessary or advisable in order to effectuate the intent of the Resolution.

RECOMMENDATION(S): (CONT'D)

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FISCAL IMPACT:

No impact to the General Fund. 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 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:

The recommended action is the adoption of a Resolution by the Board, as the legislative body of the County, authorizing the issuance of Multifamily Housing Revenue Bonds, which will be used to finance the acquisition and rehabilitation of East Bluff Apartments, a 144-unit rental housing development located at 1813 Marlesta Court (APN 401-240-032) in the City of Pinole, California (the "Development").

Through a limited partnership that it has sponsored, Eden Housing Inc. (Eden) currently owns the Development and proposes the use of housing revenue bonds to refinance and rehabilitate the project with a new limited partnership. Eden, or a related entity, will be the Managing General Partner with a tax credit investor as the limited partner.

The proposed financing would implement City of Pinole and County policies to maintain and increase the supply of affordable housing. At its October 6, 2015 meeting, the Board of Supervisors approved an Inducement Resolution for the Development. The Inducement Resolution conditionally provided for the issuance of housing revenue bonds.

The main purpose of the proposed Resolution is to acknowledge that a public hearing was held by the Community Development Bond Program Manager on October 13, 2015 with no public comment, and to meet other bond issuance requirements which are specified in Section 147(f) of the Internal Revenue Code. The proposed bonds cannot be issued until a separate resolution is adopted by the Board of Supervisors specifically authorizing the sale of the bonds. Such separate resolution to authorize the sale of bonds would come before the Board after receipt of an allocation from the State of California for Private Activity Bond Authority. An application for Private Activity Bond Authority was submitted to the California Debt Limit Allocation Committee on October 16, 2015. The expected timing for a Bond Sale Resolution would be March, 2016.

The proposed resolution would not relieve Eden from obtaining other required permits or approvals required by law, nor obligate the County to incur any obligation or provide financial assistance with respect to the Bonds or the Development. Annual expenses of the County related to the monitoring of the Regulatory Agreement are accommodated in the bond issue.

CONSEQUENCE OF NEGATIVE ACTION:

Negative action would prevent the County from meeting the public approval requirement of the Internal Revenue Code for issuing Multifamily Housing Revenue Bonds. As a result, the Multifamily Housing Revenue Bonds could not be issued by 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. 2015/405

East Bluff TEFRA Hearing Transcript