



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: January 19, 2016

Subject: Multifamily Housing Revenue Bonds - Virginia Lane Apartments, Concord

RECOMMENDATION(S):

1. ADOPT Resolution No. 2016/34 authorizing the issuance of Multifamily Housing Revenue Bonds (the "Bonds") in an amount not to exceed \$22,000,000 to provide financing for the costs of acquisition and rehabilitation of Virginia Lane Apartments, a 91-unit residential rental housing development located at 1121 and 1140 Virginia Lane (APN Nos. 128-210-051-8 and 128-290-066-9) in the City of Concord, 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 Virginia Lane Apartments is 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
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☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/19/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I
Supervisor
Candace Andersen, District II
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: Mary N. Piepho, District III
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: January 19, 2016

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

By: Stephanie L. Mello, Deputy

Contact: Kristen Lackey (925)
674-7888

cc:

obligation or provide financial assistance with respect to the Bonds or the Development; and

RECOMMENDATION(S): (CONT'D)

5. AUTHORIZE and DIRECT any authorized officer of the County to do any and all 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. Authorized officers include the Chair of the Board of Supervisors, the Vice-Chair of the Board of Supervisors, County Administrator, the County Director of Conservation and Development, the County Assistant Deputy Director of Conservation and Development, the County's Community Development Bond Program Manager, County Counsel, and other officers of the County.

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 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 Virginia Lane Apartments, a 91-unit rental housing development located at 1121 and 1140 Virginia Lane (APN Nos. 128-210-051-8 and 128-290-066-9) in the City of Concord, 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, VL, L.P. The Managing General Partner will be Eden, or a related entity, with a tax credit investor as the limited partner.

The proposed financing would implement City of Concord and County policies to maintain and increase the supply of affordable housing. The City Council passed a resolution acknowledging that the County will assist in the financing of the project. At its December 8, 2015 meeting, the Board of Supervisors approved a Reimbursement (Inducement) Resolution for the Development. The Reimbursement 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 January 4, 2016 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 will be submitted to the California Debt Limit Allocation Committee on January 15, 2016. The expected timing for a Bond Sale Resolution would be May, 2017.

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 Virginia Lane Apartments provide 91 units of affordable rental housing appropriate for families. This supports outcome #3: Families are Economically Self Sufficient.

ATTACHMENTS

Resolution No. 2016/34

Virginia Lane TEFRA Transcript