



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: March 1, 2016

Subject: Reimbursement Resolution for a Multifamily Residential Rental Housing Development in El Cerrito

RECOMMENDATION(S):

ADOPT Resolution No. 2016/89 conditionally providing for the issuance of revenue bonds in an amount not to exceed \$21,000,000 to finance a Multifamily Residential Rental Housing Development (the "Development") and approving related actions for Hana Gardens located at 10848 and 10860 San Pablo Avenue in the City of El Cerrito.

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 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 increase or preserve the supply of affordable rental housing available to low and very low

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **03/01/2016** ☒ 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: March 1, 2016

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

By: Stephanie L. Mello, Deputy

Contact: Kara Douglas (925)
674-7880

cc:

income households. The County program may be undertaken within the unincorporated County and within the cities located in the County that have agreed to let the County operate the program in their jurisdiction.

Eden Housing, Inc. (the Sponsor), requested to participate in the County's multifamily mortgage revenue bond financing program.

BACKGROUND: (CONT'D)

The Sponsor proposes to form a new limited partnership with a to-be-named tax credit investor as a limited partner to develop the facility. The proposed developments meet the eligibility criteria for bond financing and the County policy for this program. The proposed development consists of a mixed use 63 unit multifamily rental housing facility with ground floor commercial space to be located at 10860 and 10848 San Pablo Avenue (APNs 503-010-003 and 510-010-014) in the City of El Cerrito, California, currently identified as Hana Gardens Apartments.

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, that allocates tax-exempt bond authority to the bond issue, requires that a reimbursement resolution be adopted before an application may 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 reimbursement resolution have been satisfied. The resolution also authorizes the Board Chair and County staff to take whatever further action that may be deemed reasonable and desirable, including participating in the preparation of any resolution, indenture, bond purchase agreement, official statement and/or other documents or agreements necessary or appropriate to effect the Bond financing.

CONSEQUENCE OF NEGATIVE ACTION:

Without the reimbursement resolution, the Sponsor will not be able to commence with the process of applying to the California Debt Limit Allocation Committee for multifamily housing revenue bond authority through the County.

ATTACHMENTS

Resolution No. 2016/89