



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: March 29, 2016

Subject: Multifamily Housing Revenue Bonds - Hana Gardens, El Cerrito

RECOMMENDATION(S):

1. ADOPT Resolution No. 2016/120 authorizing the issuance of Multifamily Housing Revenue Bonds (the "Bonds") in an amount not to exceed \$21,000,000 to finance the acquisition and construction of Hana Gardens Apartments, a 63-unit residential rental housing development located at 10860 and 10848 San Pablo Avenue (APNs 503-010-003 and 510-010-014) in the City of El Cerrito, 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 the Bonds to finance the costs of the acquisition and construction of the Development 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 project sponsor 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: **03/29/2016** ☒ 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: March 29, 2016

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

By: Stephanie L. Mello, Deputy

Contact: Kara Douglas
925-674-7880

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 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 (the "Bonds"), which will be used to finance the acquisition and construction of Hana Gardens Apartments, a 63-unit residential rental housing development located at 10860 and 10848 San Pablo Avenue (APNs 503-010-003 and 510-010-014) in the City of El Cerrito, California (the "Development").

Through a limited partnership that it has sponsored, Eden Housing Inc. (Eden) will acquire the Development and proposes the use of the Bonds to construct the project. 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 El Cerrito and County policies to maintain and increase the supply of affordable housing. At its March 1, 2016 meeting, the Board of Supervisors approved Reimbursement Resolution (Resolution number 2016/89) for the Development. The Reimbursement Resolution conditionally provided for the issuance of the 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 March 10, 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 by May 20, 2016. The expected timing for a Bond Sale Resolution would be October, 2016. The City of El Cerrito acknowledged its support of the County as the bond issuer by City Council resolution at its March 15, 2016 meeting.

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.

ATTACHMENTS

Resolution No. 2016/120