



Contra
Costa
County

To:

From: John Kopchik, Director, Conservation & Development Department

Date: May 10, 2016

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

RECOMMENDATION(S):

ADOPT Resolution No. 2016/336, which supersedes Resolution No. 2016/102, conditionally providing for the issuance of revenue bonds in an amount not to exceed \$80,000,000 to enable private owners to finance the development of Twenty One and Twenty Three Nevin, a multifamily residential rental housing development for families, located on two lots including one at the Southwest Corner of Nevin Avenue and 23rd Street (APN 514-080-013) and one at 344 21st Street (APN 514-090-018) in the City of Richmond, California.

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:

☐ APPROVE

☐ OTHER

☐ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **05/10/2016** ☒ 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: May 10, 2016

, County Administrator and Clerk of the Board of Supervisors

By: Stephanie Mello, Deputy

Contact: Kara Douglas,
925-674-7880

cc:

Contra Costa County, through the Department

BACKGROUND: (CONT'D)

of Conservation and Development, 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 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.

Pacific West Communities, Inc. (the "Sponsor") requested to participate in the County's multifamily mortgage revenue bond financing program. The Sponsor, or one of its affiliates, as managing general partner, proposes to form a new limited partnership with a to-be-named tax credit investor as a limited partner to develop Twenty One and Twenty Three Nevin (the "Development"). The proposed development meets the eligibility criteria for bond financing and the County policy for this program. The proposed development consists of a 271 unit multifamily rental housing facility located on two parcels including one at the Southwest Corner of Nevin Avenue and 23rd Street, and one at 344 21st Street, (APNs 514-080-013 and 514-090-018), in the City of Richmond, California.

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 Development, 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.

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. 2016/336

Archived Resolution No. 2016/102