



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: August 9, 2016

Subject: Bond Sale Resolution - Tabora Gardens Apartments, Antioch

RECOMMENDATION(S):

1. ADOPT Resolution No. 2016/480 authorizing the issuance of Multifamily Housing Revenue Bonds in a principal amount not to exceed \$24,000,000 to finance the acquisition and construction of Tabora Gardens Senior Apartments in Antioch (the "Development").
2. FIND and DECLARE that the recitals contained in the proposed Resolution are true and correct.
3. AUTHORIZE the issuance of County of Contra Costa Multifamily Housing Revenue Bonds (Tabora Gardens Senior Apartments), Series 2016D bonds (the "Bonds") in an aggregate principal amount not to exceed \$24,000,000.
4. APPROVE the form of, and authorize the County to execute, the Indenture between the County and Wells Fargo Bank National Association. (the "Bank").
5. APPROVE the form of, and authorize the County to execute, the Construction Loan Agreement among the Bank, the County and Tabora Gardens L.P. (the "Borrower").
6. APPROVE the form of, and authorize the County to execute, the Regulatory Agreement and Declaration of Restrictive Covenants between the County and Borrower.
7. APPROVE the form of, and authorize the County to execute, the Assignment of Deed of Trust and Loan Documents by the County to the Bank.
8. APPOINT Quint & Thimmig, LLP as bond counsel for the transaction.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **08/09/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I
Supervisor
Mary N. Piepho, District III
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: Candace Andersen, District II
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: August 9, 2016

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

By: Stephanie Mello, Deputy

Contact: Kara Douglas
925-674-7880

cc:

9. AUTHORIZE and DIRECT the Designated Officers of the County, as defined in Resolution 2016/480, to do any and all things and take any 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 consummate the lawful issuance and delivery of the Bonds in accordance with the Resolution.

RECOMMENDATION(S): (CONT'D)

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FISCAL IMPACT:

No impact to the General Fund. At the closing for the Bonds, 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 will be reimbursed through issuer fees established in the documents for the Bonds. 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 proceeds of which will be used to finance the acquisition and construction of Tabora Gardens Senior Apartments, an 85 unit residential housing development located at 3701 Tabora Drive in Antioch.

The ownership entity for the development will be Tabora Gardens, L.P., a California limited partnership with Tabora Gardens, LLC serving as general partner of the Borrower. The ownership entity is an affiliate of Satellite Affordable Housing Associates, a local non-profit housing developer that has developed over 1500 units of housing over the past 44 years. Raymond James Tax Credit Funds, Inc. will be the tax credit investor special limited partner.

On December 8, 2015, the Board of Supervisors adopted Resolution No. 2015/455 expressing the Board's intent to issue multi-family housing revenue bonds for the Development. That Resolution authorized the submittal of an application by the County for tax-exempt private activity bond authority from the California Debt Limit Allocation Committee. Subsequent to the adoption of that Resolution, the County, as required by Section 147(f) of the Internal Revenue Code, held a noticed public hearing to permit interested parties to comment on the proposed financing and the Development. That hearing was held on January 4, 2016, with no comments received from the public. The Board adopted Resolution No. 2016/33 on January 19, 2016, to authorize proceeding with the issuance of the Bonds pursuant to Section 147(f) of the Internal Revenue Code.

On March 16, 2016, the California Debt Limit Allocation Committee awarded the County authority to issue the Bonds in a maximum principal amount of \$24,000,000. That authority will be used to issue and sell the Bonds directly to Wells Fargo Bank National Association, with the proceeds of the Bonds to be used to fund a loan by the Bank to Tabora Gardens L.P. In addition to the proceeds of the Bonds, the Development will utilize other forms of financing detailed in Attachment A. The transaction is expected to close on or about August 26, 2016.

CONSEQUENCE OF NEGATIVE ACTION:

Negative action would prevent the County from issuing the Multifamily Housing Revenue Bonds in order to provide a loan to Tabora Gardens, L.P. to finance the construction of Tabora Gardens Senior Apartments.

ATTACHMENTS

Resolution No. 2016/480

Plan of Finance

Indenture

Loan Agreement

Regulatory Agreement

Assignment of Deed of Trust and Loan Documents