



**Contra  
Costa  
County**

To: Board of Supervisors  
From: John Kopchik, Director, Conservation & Development Department  
Date: January 17, 2017

Subject: Multifamily Housing Revenue Bonds - Casa Montego, Walnut Creek

**RECOMMENDATION(S):**

ADOPT Resolution No. 2017/4 approving the issuance of Multifamily Housing Revenue Bonds (the "Bonds") by the California Municipal Finance Authority (CMFA) in an amount not to exceed \$22,050,000 for the benefit of Satellite Affordable Housing Associates (SAHA), a California nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), or a subsidiary or affiliate thereof (the "Borrower"), to provide for the financing of the acquisition, rehabilitation, improvement and equipping of a multifamily housing development commonly known as Casa Montego Apartments located at 1485 Montego Street, in the City of Walnut Creek. Such adoption is solely for the purposes of satisfying the requirements of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), the Code and the California Government Code Section 6500 (and following).

**FISCAL IMPACT:**

No impact to the General Fund. The County will be reimbursed for any costs incurred in the process of conducting the TEFRA Hearing. The CMFA will issue tax-exempt revenue bonds on behalf of SAHA. Repayment of the bonds is solely the responsibility of SAHA.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **01/17/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, 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: January 17, 2017

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

By: Stephanie Mello, Deputy

Contact: Kristen Lackey (925)  
674-7888

cc:

## BACKGROUND:

Satellite Affordable Housing Associates, with the City of Walnut Creek's support, requested the County to conduct a Tax Equity and Fiscal Equity Responsibility Act of 1982 (TEFRA) hearing for the California Municipal Finance Authority (CMFA) issuance of Multifamily Housing Revenue Bonds in an amount not to exceed \$22,050,000 to be used to finance the acquisition, rehabilitation, improvement and equipping of a multifamily rental housing development commonly known as Casa Montego Apartments located at 1485 Montego Street, in the City of Walnut Creek, California (the "Project"). A TEFRA hearing must be held by an elected body of the governmental entity having jurisdiction over the area where the project is located in order for all or a portion of the Bonds to qualify as tax-exempt bonds for the financing of the Project. The County is a member of the CMFA and qualifies as an elected body of the governmental entity having jurisdiction over the area where the project is located.

The main purpose of the proposed Resolution is to acknowledge that a public hearing was held by the County's Community Development Bond Program Manager on January 3, 2017, where members of the community were given an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project. No public comments were received. A notice of the hearing was published in the Contra Costa Times (proof of publication attached) on December 19, 2016.

The County's only role in this transaction was to hold the TEFRA hearing. Additional actions related to the bond issuance will be the responsibility of CMFA.

This is the second TEFRA hearing held by the County for this project. The original TEFRA hearing was held on November 30, 2015 with the corresponding Resolution No. 2015/461 being approved by the Board of Supervisors at its December 15, 2015 meeting. A second TEFRA hearing is required because the developer intends to request an additional \$1,050,000 allocation from the California Debt Limit Allocation Committee.

## CONSEQUENCE OF NEGATIVE ACTION:

Negative action would prevent CMFA from providing tax-exempt financing for SAHA's Casa Montego Apartments project in Walnut Creek.

## ATTACHMENTS

Resolution No. 2017/4

Proof of Publication

Casa Montego-TEFRA Hearing Transcript\_1.3.17