



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: March 14, 2017

Subject: Multifamily Housing Revenue Bonds - Carena Scattered Site Renovation, Bay Point and Concord

RECOMMENDATION(S):

1. ADOPT Resolution No. 2017/77 authorizing the issuance of Multifamily Housing Revenue Bonds (the "Bonds") in an amount not to exceed \$20,000,000 to finance the costs of acquisition and rehabilitation of Carena Scattered Site Renovation (the "Development"), including 114 residential rental units located at the following locations:

- 2050, 2051, and 2061 Riley Court in Concord (APN Nos.: 128-200-062-7 and 128-200-063-5);
- 112 Alves Lane and 300-310 Water Street in Bay Point (APN No.: 97-041-9-8); and
- 2501, 2513, 2525, 2530, 2531, 2536, 2537, 2549, 2554, 2555 and 2566 Camara Circle in Concord (APN Nos.: 126-202-42-1, 126-202-43-9, 126-202-77-7, 126-202-79-3, 126-202-78-5, 126-202-34-8, and 126-202-32-2).

2. FIND and DECLARE that the recitals contained in the proposed Resolution are true and correct;

3. AUTHORIZE the issuance of Bonds to finance the costs of the acquisition and rehabilitation of the Development for purposes of Section 147(f) of the Internal Revenue Code of 1986. The sale and delivery of the Bonds shall be subject to Board of Supervisors

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **03/14/2017** ☒ 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: March 14, 2017

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

By: Stephanie Mello, Deputy

Contact: Kristen Lackey (925)
674-7888

cc:

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 borrower 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 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. Authorized officers include the Chair of the Board of Supervisors, the Vice-Chair of the Board of Supervisors, County Administrator,

RECOMMENDATION(S): (CONT'D)

the County Director of Conservation and Development, the County Assistant Deputy Director of Conservation and Development, the County's Community Development Bond Program Manager, County Counsel, and other officers of the County.

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, which will be used to finance the acquisition and rehabilitation of Carena Scattered Site Renovation, including 114 residential rental units at the following locations:

- 2050, 2051, and 2061 Riley Court in Concord (APN Nos.: 128-200-062-7 and 128-200-063-5);
- 112 Alves Lane and 300-310 Water Street in Bay Point (APN No.: 97-041-9-8); and
- 2501, 2513, 2525, 2530, 2531, 2536, 2537, 2549, 2554, 2555, 2566 Camara Circle in Concord (APN Nos.: 126-202-42-1, 126-202-43-9, 126-202-77-7, 126-202-79-3, 126-202-78-5, 126-202-34-8, and 126-202-32-2).

Resources for Community Development (RCD) currently owns each of the above listed properties and proposes the use of housing revenue bonds to refinance and renovate the facilities with a new limited partnership. RCD 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 Concord and County policies to increase or maintain the supply of affordable housing. At its December 8, 2015 meeting, the Board of Supervisors approved an Inducement Resolution for Carena Scattered Site Renovation. The Inducement Resolution conditionally provided for the issuance of housing revenue 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 February 28, 2017, 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. A determination of bond allocation will be made by

the California Debt Limit Allocation Committee at its meeting on May 17, 2017. The expected timing for a Bond Sale Resolution would be August, 2017.

The proposed resolution would not relieve the Borrower 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 Project. Annual expenses of the County related to the monitoring of the Regulatory Agreement are provided for 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.

CHILDREN'S IMPACT STATEMENT:

Carena Scattered Site Renovations provides 114 units of affordable rental housing appropriate for families. This supports outcome #3: Families are Economically Self Sufficient.

ATTACHMENTS

Resolution No. 2017/77

Carena TEFRA Proof of Publication

Carena Transcript