



Contra
Costa
County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: April 25, 2017

Subject: Termination Agreement Relating to Multifamily Mortgage Revenue Bonds - Willowbrook Apartments

RECOMMENDATION(S):

ADOPT Resolution No. 2017/139 authorizing the execution and delivery of a termination agreement (the "Termination Agreement") related to the Regulatory Agreement and County of Contra Costa County Multifamily Housing Revenue Bonds (Willowbrook Apartments) 2002 Series A issued to make a loan used to finance the acquisition and rehabilitation of a 71-unit multifamily rental housing project generally known as Willowbrook Apartments, located at 110 Bailey Road in Bay Point, including:

- a) APPROVE the form of the Termination Agreement;
- b) AUTHORIZE and DIRECT the Chair or Vice Chair of the Board of Supervisors, the County Administrator, the Director of Conservation and Development, the Assistant Deputy Director of the Department of Conservation and Development, or the Community Development Bond Program Manager to execute and deliver the Termination Agreement, and 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 purposes of the Resolution; and

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **04/25/2017** ☒ 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: April 25, 2017

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

By: Stephanie Mello, Deputy

Contact: Kristen Lackey (925)
674-7888

cc:

c) DESIGNATE the law firm of Quint & Thimmig LLP as Bond Counsel.

FISCAL IMPACT:

The Regulatory Agreement requires the Owner to pay the County an annual fee of \$29,495 from May 1, 2013 until May 1, 2042. The New Regulatory Agreement will include the same provision. These funds will be used by the Successor Agency of the Contra Costa County Redevelopment Agency to pay its recognized obligations.

BACKGROUND:

Resolution No. 2017/139 approves a termination agreement relating to County of Contra Costa Multifamily Housing Revenue Bonds (Willowbrook Apartments) 2002 Series A (the "Bonds").

In 2002, the County issued \$5,120,000 Bonds to finance the acquisition and rehabilitation by Willowbrook Housing Partners, L.P. (the "Owner") of a 71-unit apartment project (the "Project") known as Willowbrook Apartments located in Bay Point. In connection with the issuance of the Bonds, the County, the former Contra Costa County Redevelopment Agency (the "Former Agency"), the trustee for the Bonds and the Owner entered into a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") that set forth certain affordability restrictions and Community Improvement Contribution provisions related to the Project.

The Project is now being refinanced with the proceeds of bonds (the "Refunding Bonds") being issued by the California Public Finance Authority (the "Authority"), which will loan the proceeds of the Refunding Bonds to Willowbrook Affordable Communities, L.P. (the "New Owner") that will acquire the Project from the Owner at the closing for the Refunding Bonds. The New Owner will undertake substantial rehabilitation work on the Project, in connection with the refinancing of the Project. The refinancing will require a new regulatory agreement (the "New Regulatory Agreement") with at least the same affordability restrictions as the original Regulatory Agreement with the County.

In order to have only one regulatory agreement, the New Owner requested the County to terminate its Regulatory Agreement and has agreed to make the owners of the Bonds and the County beneficiaries under the New Regulatory Agreement. The New Regulatory Agreement will cover the affordability restrictions of the Regulatory Agreement and be for a term at least as long as the remaining term of the Regulatory Agreement and provide for the continuation of Community Improvement Contributions. The Community Improvement Contribution is an annual payment of \$29,495 to the County from the Owner. It will be included in the New Regulatory Agreement and will be paid by the New Owner. The County has not received any payments to date and will be paid the past due amount of \$117,980 at close of escrow of the Refunding Bonds.

CONSEQUENCE OF NEGATIVE ACTION:

If the County does not execute the Termination Agreement, it is unlikely that the Project will be refinanced and sold and rehabilitation of the Project may not occur.

ATTACHMENTS

Resolution No. 2017/139

Termination Agreement