



**Contra  
Costa  
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: October 17, 2017

Subject: Resolution for Redemption (Camara Circle) and Sale of Bonds for Carena Scattered Sites Renovation, Concord and Bay Point

**RECOMMENDATION(S):**

1. ADOPT Resolution No. 2017/358 approving documents to facilitate a redemption of bonds and sale of a multifamily housing facility, and to authorize the sale of Multifamily Housing Revenue Bonds in a principal amount not to exceed \$19,500,000 to finance the acquisition and rehabilitation of three multifamily rental housing facilities for the Carena Scattered Site Renovation development (the "Development").
2. FIND and DECLARE that the recitals contained in the proposed Resolution are true and correct.
3. APPROVE the sale of Camara Circle Apartments by Camara Housing Associates L.P. (the "Current Owner")
4. APPROVE the form of, and authorize the County to execute, the First Supplemental Indenture between the County and Wells Fargo Bank, National Association ("2000 Trustee")
5. APPROVE the form of, and authorize the County to execute, the Termination Agreement between the County, the 2000 Trustee, and Camara Housing Associates L.P.
6. AUTHORIZE the issuance of a County of Contra Costa Multifamily Housing Revenue Bond (Carena Scattered Site Renovation), Series 2017A in an aggregate principal amount not to exceed \$19,500,000.
7. APPROVE the form of, and authorize the County to execute, the Indenture between the

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/17/2017** ☒ 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: October 17, 2017

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

By: Stephanie Mello, Deputy

Contact: Kara Douglas  
925-674-7880

cc:

County and Bank of America, N. A. (the "Bank").

8. APPROVE the form of, and authorize the County to execute, the Loan Agreement among the Bank, the County and Carena Associates L.P. (the "Borrower")

9. APPROVE the form of, and authorize the County to execute, the Regulatory Agreement and Declaration of Restrictive Covenants between the County and Borrower.

## RECOMMENDATION(S): (CONT'D)

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10. APPROVE the form of, and authorize the County to execute, the Assignment of Deed of Trust and related documents by the County to the Bank.

11. APPOINT Quint & Thimmig, LLP as bond counsel for the transaction.

12. AUTHORIZE and DIRECT the Designated Officers of the County 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. Authorized officers include the Chair of the Board of Supervisors, the Vice-Chair of the Board of Supervisors, County Administrator, 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. 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 are accommodated 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 Resolution No. 2017/358 by the Board, as the legislative body of the County, approving documents to facilitate a redemption of bonds and the sale of Camara Circle Apartments in Concord. The Resolution also authorizes the issuance of Multifamily Housing Revenue Bonds, the proceeds of which will be used to finance the acquisition and rehabilitation of three apartment complexes together known as Carena Scattered Site Renovation and consisting of Camara Circle Apartments, a 51 unit residential housing development located at 2513, 2525, 2530, 2531, 2536, 2537, 2549, 2554, 2555 and 2566 Camara Circle in Concord; Riley Court Apartments, a 48 unit residential development located at 2050, 2051, and 2061 Riley Court, Concord; and Elaine Null Court apartments, a 14 unit residential development located at 112 Alves Lane and 300-310 Water Street, Bay Point.

In 2000, the County issued bonds for the acquisition and rehabilitation of Camara Circle Apartments. In order to move forward with the proposed Carena Scattered Sites Renovation project, the existing bonds must be redeemed, and the regulatory agreement terminated.

The ownership entity for the development will be Carena Associates, L.P., a California limited partnership with RCD GP, LLC serving as general partner of the Borrower and Bank of America N.A. serving as the the tax credit investor special limited partner. The

ownership entity is an affiliate of Resources for Community Development, a local non-profit housing developer that has developed 445 units of housing in Contra Costa County.

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 February 28, 2017 with no comments received from the public. The Board adopted Resolution No. 2017/77 on March 14, 2017 to authorize proceeding with the issuance of the Bonds pursuant to Section 147(f) of the Internal Revenue Code.

On May 17, 2017, the California Debt Limit Allocation Committee awarded the County authority to issue the Bonds in a maximum principal amount of \$20,000,000. That authority will be used to issue and sell the Bonds directly to Bank of America N.A, with the proceeds of the Bonds to be used to fund a loan by the County to Carena Associates, 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 October 26, 2017.

#### CONSEQUENCE OF NEGATIVE ACTION:

Negative action would prevent the County from issuing the Multifamily Housing Revenue Bonds in order to provide a loan to Carena Associates, L.P. to finance the acquisition and rehabilitation of Camara Circle Apartments, Riley Court Apartments and Elaine Null Apartments

#### CHILDREN'S IMPACT STATEMENT:

The three apartment complexes making up the Carena development provide 113 units of affordable rental housing appropriate for families. This supports outcome #3: Families are Economically Self Sufficient.

#### ATTACHMENTS

Resolution No. 2017/358

Plan of Finance

First Supplement Indenture

Termination Agreement

Carena Indenture

Carena Loan Agreement

Carena form Regulatory Agreement

Assignment Deed of Trust