



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: December 12, 2017

Subject: Multifamily Housing Revenue Bonds TEFRA – Riviera Family Apartments, Walnut Creek

RECOMMENDATION(S):

1. OPEN the public hearing, RECEIVE testimony, CLOSE the hearing

2. ADOPT Resolution No. 2017/445 approving the issuance of Multifamily Housing Revenue Bonds (the “Bonds”) in an amount not to exceed \$1,600,000 to for the benefit of Riviera Family Apartments, L.P., a California Limited Partnership (the “Borrower”) to provide additional financing for the costs of construction of Riviera Family Apartments, a 58-unit residential rental housing development located at 1515 and 1738 Riviera Avenue (APN Nos. 174-150-076, 174-140-019, 174-140-025) in the City of Walnut Creek, California (the "Development"). Such adoption is solely for the purposes of satisfying the requirements of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), Section 147(f) of the Internal Revenue Code of 1986, and California Government Code Section 52075 and following.

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

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **12/12/2017** ☒ 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: December 12, 2017

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

By: Stephanie Mello, Deputy

Contact: Kara
Douglas, 925-674-7880

cc:

FISCAL IMPACT: (CONT'D)

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 Borrower, with the City of Walnut Creek's support, requested the County to issue the Bonds for the construction of the Development, which includes a Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing for the issuance of the Bonds in an amount not to exceed \$1.6 million to be used to finance additional construction costs.

The recommended action through this Board Order is to hold a TEFRA hearing, provide members of the community an opportunity to speak in favor of or against the use of tax exempt bonds for the financing of the Development, and adopt Resolution No. 2017/445. A notice of the public hearing was published in the Contra Costa Times (proof of publication attached) in November 30, 2017. The County adopted Resolution No. 2017/431 authorizing the issuance of the Bonds. County staff submitted an application to the California Debt Limit Allocation Committee on December 5, 2017 for consideration at its December 20, 2017 allocation meeting. Staff will ask the Board of Supervisors to adopt another resolution at its December 19, 2017 meeting to authorize the sale of the Bonds. The Bonds are expected to be sold prior to December 31, 2017.

On March 16, 2016, the County received an allocation of \$19,200,000 Bonds from the California Debt Limit Allocation Committee ("CDLAC") to finance the acquisition and construction of the Development. On September 23, 2016, the County issued the Bonds and an additional \$1,529,702 in taxable bonds (for a total of \$20,729,702) to the Borrower to finance the acquisition and construction of the Development. The Borrower now wishes to convert the taxable bond allocation into tax-exempt bonds.

CONSEQUENCE OF NEGATIVE ACTION:

A negative action will prohibit the County from issuing an additional \$1.6 million in tax-exempt private activity bonds for the Riviera Family project construction.

CHILDREN'S IMPACT STATEMENT:

The development will provide 58 units of affordable housing suitable for individuals and families. This supports outcome #3: Families are Economically Self-Sufficient.

CLERK'S ADDENDUM

CLOSED the hearing; ADOPTED Resolution No. 2017/445 approving the issuance of Multifamily Housing Revenue Bonds in an amount not to exceed \$1,600,000 to for the benefit of Riviera Family Apartments, L.P., a California Limited Partnership to provide additional financing for the costs of construction of Riviera Family Apartments, in the

City of Walnut Creek; adoption is solely for the purposes of satisfying the requirements of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

ATTACHMENTS

Resolution No. 2017/445

Proof of Publication