



Contra  
Costa  
County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: December 12, 2017

Subject: Bond Sale Resolution - Heritage Point Apartments, North Richmond

**RECOMMENDATION(S):**

1. ADOPT Resolution No. 2017/442 authorizing the issuance of Multifamily Housing Revenue Bonds in a principal amount not to exceed \$17,000,000 to finance the acquisition and construction of Heritage Point Senior Apartments in North Richmond (the "Development").
2. FIND and DECLARE that the recitals contained in the proposed Resolution are true and correct.
3. AUTHORIZE the issuance of County of Contra Costa Multifamily Housing Revenue Bonds (Heritage Point Senior Apartments), Series 2017C bonds (the "Bonds") in an aggregate principal amount not to exceed \$17,000,000.
4. APPROVE the form of, and authorize the County to execute, the Funding Loan Agreement between the County and Citibank NA. (the "Bank").
5. APPROVE the form of, and authorize the County to execute, the Borrower Loan Agreement among the Bank, the County and Heritage Point A/G L.P. (the "Borrower").
6. APPROVE the form of, and authorize the County to execute, the Regulatory Agreement and Declaration of Restrictive Covenants between the County and Borrower.
7. APPROVE the form of, and authorize the County to execute, the Assignment of Deed of Trust and Loan Documents by the County to the Bank.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD 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:

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

9. AUTHORIZE and DIRECT the Designated Officers of the County, as defined in Resolution 2017/442, 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.

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

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### 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 will be reimbursed through issuer fees established 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 a Resolution by the Board, as the legislative body of the County, authorizing the issuance of Multifamily Housing Revenue Bonds, the proceeds of which will be used to finance the acquisition and construction of Heritage Point Senior Apartments, a 42 unit residential housing development located at the northeast corner of Fred Jackson Way and Chesley Avenue in the unincorporated are of North Richmond.

The ownership entity for the development will be Heritage Point A/G, L.P., a California limited partnership with Community Housing Development Corporation of North Richmond (as the sole member of Heritage Point A/G, LLC) serving as general partner of the Borrower. The ownership entity is an affiliate of Community Housing Development Corporation of North Richmond, a local non-profit housing developer based in North Richmond. Raymond James Tax Credit Funds, Inc. will be the tax credit investor special limited partner.

On March 7, 2017, as required by Section 147(f) of the Internal Revenue Code, a noticed public hearing was held to permit interested parties to comment on the proposed financing and the Development. No comments received from the public. On March 21, 2017, the Board of Supervisors adopted Resolution No. 2017/66 authorizing the submittal of an application by the County for tax-exempt private activity bond authority from the California Debt Limit Allocation Committee, and proceeding with the issuance of the Bonds pursuant to Section 147(f) of the Internal Revenue Code.

On July 19, 2017, the California Debt Limit Allocation Committee adopted its Resolution No. 17-77 allocating \$17,000,000 of the State of California ceiling on private activity bonds for 2017. That authority will be used to issue and sell the Bonds directly to the Bank, with the proceeds of the Bonds to be used to fund a loan by the Bank to the Borrower. 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 December 22, 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 Heritage Point A/G, L.P. to finance the construction of Heritage Point Senior Apartments.

### CHILDREN'S IMPACT STATEMENT:

Heritage Point will provide 42 units of affordable housing suitable for families. This supports Goal #3: Families are Economically Self Sufficient.

### ATTACHMENTS

Resolution No. 2017/442

Plan of Finance

Funding Loan Agreement

Borrower Loan Agreement

Regulatory Agreement

Assignment of Deed of Trust