



Contra
Costa
County

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: June 5, 2018

Subject: Reimbursement Resolution for Pinecrest-Terrace Glen Multifamily Residential Rental Housing Development

RECOMMENDATION(S):

ADOPT Resolution No. 2018/189 conditionally providing for the issuance of multi-family mortgage revenue bonds in an amount not to exceed \$12 million to finance the acquisition and rehabilitation of Pinecrest Apartments located at 1945 and 1949 Cavallo Road (APN 068-061-024) and Terrace Glen Apartments located at 104-106 West 20th Street and 35-107 West 20th Street (APN 067-251-015-3 and 067-252-011-1) in Antioch.

FISCAL IMPACT:

None. 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 certain units in the Developments 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 General Funds are pledged to the bonds.

BACKGROUND:

Contra Costa County, through the Conservation and Development Department, operates a multifamily mortgage revenue bond (MFMRB) financing program. The purpose of the

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **06/05/2018** ☒ 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: June 5, 2018

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

By: June McHuen, Deputy

Contact: Kara Douglas
925-674-7880

cc:

program

BACKGROUND: (CONT'D)

is to increase or preserve the supply of affordable rental housing available to low and very-low income households. The County program may be undertaken within the unincorporated County and within the cities located in the County that have agreed to let the County operate the program in their jurisdiction.

The project sponsor, Resources for Community Development (RCD), has requested to participate in the County's MFMRB program. Through two different limited partnerships, RCD currently owns Pinecrest Apartments at 1945 and 1949 Cavallo Road and Terrace Glen Apartments at 104-106 West 20th Street and 35-107 West 20th Street in the City of Antioch. RCD has formed a new limited partnership to acquire and rehabilitate both properties as a single development. The proposed development meets the eligibility criteria for bond financing, and the proposed plan of finance is consistent with County policy for this program.

A requirement of federal tax law is that the prospective financing be subject to a conditional statement of intent to issue bonds to reimburse expenses incurred prior to the date the bonds are issued, i.e. a reimbursement resolution must be adopted by the Board of Supervisors. Also, the California Debt Limit Allocation Committee, that allocates tax-exempt bond authority to the Development, requires that a reimbursement resolution be adopted before an application may be made for such an allocation. The adoption of a reimbursement resolution will not obligate the County or the owner without future discretionary actions, but will indicate the intent of the County to issue the bonds if all conditions in the reimbursement resolution have been satisfied.

The Antioch City Council approved Resolution 2018/32 on March 13, 2018, acknowledging the County's issuance of the MFMRBs for this project.

CONSEQUENCE OF NEGATIVE ACTION:

Without this inducement resolution, RCD will not be able to commence with the process of applying to the California Debt Limit Allocation Committee for MFMRB authority through the County.

CHILDREN'S IMPACT STATEMENT:

The Pinecrest Apartments and Terrace Glen Apartments together provide 56 units of affordable rental housing for families. This supports outcome #3: Families are Economically Self Sufficient.

ATTACHMENTS

Resolution No. 2018/189