



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: July 10, 2018

Subject: Approval and Consent to Change of Partners of Hercules Senior Housing, The Arbors, Hercules

RECOMMENDATION(S):

1. CONSENT to the transfer of the limited partner interest in Hercules Senior Housing Associates, L.P. from Edison Capital Housing Partners XVII, L.P. to BRIDGE Housing Ventures, Inc.;
2. APPROVE and AUTHORIZE the Director of Conservation and Development, or designee, to execute documents to carry out this action.

FISCAL IMPACT:

No General Fund impact: The loan approved previously was one hundred percent federal funds.

BACKGROUND:

On September 8, 1998, the County loaned \$625,000 of HOME Investment Partnerships Act (HOME) funds to Hercules Senior Housing Associates (Borrower), a BRIDGE Housing affiliate, to finance a portion of the site acquisition and construction of The Arbors, a 60 unit affordable senior apartments complex located at 100 Civic Drive in Hercules (Development). Low income housing tax credits financed a portion of the remaining development costs. The Borrower and the tax credit investor, Edison Capital Housing

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **07/10/2018** ☒ 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: July 10, 2018

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

By: June McHuen, Deputy

Contact: Kara Douglas,
925-674-7880

cc:

Partners XVII, L.P., (the Limited Partner) formed a limited partnership to facilitate the use of the tax credits. The partnership agreement includes provisions for the Limited Partner to exit the partnership at the

BACKGROUND: (CONT'D)

end of the agreement term.

The Development is at the end of its 15-year tax credit partnership agreement and BRIDGE wants to replace the Limited Partner with a separate BRIDGE affiliate, BRIDGE Housing Ventures, Inc., as the new limited partner. The HOME Loan Agreement between the County and the Borrower allows transfers of limited partners in specific cases, but the proposed transfer in this case requires separate Board approval. Staff recommends that the Board consent to this transfer of limited partner so that the Borrower can fulfill its obligations under the partnership agreement.

CONSEQUENCE OF NEGATIVE ACTION:

If the County does not approve the transfer of the limited partner, and subsequent transactions, BRIDGE will not be able to fulfill its obligation to Edison Capital XVII, L.P.