



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: July 9, 2019

Subject: Sale of Multifamily Housing Revenue Bond Project - Hidden Cove, Bay Point

RECOMMENDATION(S):

ADOPT Resolution No. 2019/469 approving the transfer of ownership of Hidden Cove Apartments, an 88-unit residential rental project including 87 affordable units located in Bay Point, that was funded by County-issued multifamily housing revenue bonds in 2003, including:

- a) authorizing execution of the Assignment Agreement;
- b) approving Quint & Thimmig as Bond Counsel; and
- c) approving any other actions necessary in order to consummate the sale and transfer of the project to Hidden Cove Apartments, LP.

FISCAL IMPACT:

No fiscal impact. The new owner will continue operating the project in compliance with the existing Regulatory Agreement, including payment of annual issuer fees to cover staff costs associated with monitoring the project for compliance with affordability requirements.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **07/09/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: Candace Andersen, District II
Supervisor
Diane Burgis, District III
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: John Gioia, District I
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 9, 2019

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

By: June McHuen, Deputy

Contact: Kristen Lackey
925-674-7793

cc:

BACKGROUND:

In May of 2003, the County issued Multifamily Housing Revenue Bonds (Hidden Cove Apartments Project) Series 2003-A and the proceeds to the bonds were used to provide financing for Hidden Cove Apartments, an 88 unit residential rental project located in Bay Point (the "Project") with 9 units reserved for very low-income households earning at or below 50% of the area median income and 78 units reserved for low-income households earning at or below 60% of the area median income. The County entered into a Regulatory Agreement with Steadfast Hidden Cove, L.P. (the "Current Owner") to maintain the project's affordability for a term of 55 years.

The Current Owner wishes to sell the Project to Hidden Cove Apartments, LP, a limited partnership with Foundation for Affordable Housing (FFAH) as the managing general partner. FFAH is a tax-exempt 501(c)(3) located in southern California that has developed affordable housing throughout the United States for over 25 years. Within the Bay Area, they have developed 25 multifamily projects and 12 senior projects. FFAH will use Aperto Property Management to provide property management services. Aperto's management team has over 30 years' experience in managing multifamily market rate and affordable rental housing including Multifamily Housing Revenue Bond and Tax Credit projects. References were checked for both companies with positive responses.

This action is to approve the sale and transfer of the Project from the Current Owner to Hidden Cove Apartments, LP, including the execution of an Assignment and Assumption Agreement that transfers the Regulatory Agreement to the new owner. The action also approves the services of our bond counsel, Quint & Thimmig. Quint & Thimmig has served as bond counsel for the County's Multifamily Housing Revenue Bond Program since 2011.

CONSEQUENCE OF NEGATIVE ACTION:

If not approved, Hidden Cove would not be able to be sold to Hidden Cove Apartments, LP.

CHILDREN'S IMPACT STATEMENT:

Multifamily affordable housing supports all five of the following children's outcomes:

- (1) Children Ready for and Succeeding in School;
- (2) Children and Youth Healthy and Preparing for Productive Adulthood;
- (3) Families that are Economically Self Sufficient;
- (4) Families that are Safe, Stable and Nurturing; and
- (5) Communities that are Safe and Provide a High Quality of Life for Children and Families.

ATTACHMENTS

Resolution 2019/469

Hidden Cove Assignment & Assumption