



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: July 9, 2019

Subject: Reimbursement Resolution for Multifamily Housing Revenue Bond Issuance - Hidden Cove Apartments in Bay Point

RECOMMENDATION(S):

ADOPT Resolution No. 2019/487 conditionally providing for the issuance of revenue bonds in an aggregate amount not to exceed \$19,200,000 to finance the acquisition, construction and rehabilitation of Hidden Cove Apartments, an 88-unit multifamily residential rental housing development, located at 2921-2931 Mary Ann Lane (APN 097-091-026-1 0) in Bay Point, California (the "Development"), and approving related actions.

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 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:

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

☒ 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: Stephanie Mello, Deputy

Contact: Kristen Lackey (925)
674-7888

cc:

increase or preserve the supply of affordable rental housing available to low and very low income households. The County program

BACKGROUND: (CONT'D)

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.

Foundation for Affordable Housing, a nonprofit affordable housing developer, and Spira Equity Partners, an affordable housing investor, requested to participate in the County's multifamily housing revenue bond financing program, as a new to-be-formed limited partnership, Hidden Cove Apartments, LP, in order to finance the acquisition and rehabilitation of an existing affordable development. The proposed development consists of an 88-unit multifamily rental housing facility known as Hidden Cove Apartments, located at 2921-2931 Mary Ann Lane (APN 097-091-026-1-0) in Bay Point, California. It meets the eligibility criteria for bond financing and the 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 for the bond issue, requires that a reimbursement resolution be adopted before an application may be submitted 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.

CONSEQUENCE OF NEGATIVE ACTION:

Without the reimbursement resolution, Spira Hidden Cove, LP will not be able to commence with the process of applying to the California Debt Limit Allocation Committee for multifamily housing revenue bond authority through the County.

CHILDREN'S IMPACT STATEMENT:

The recommendation supports one or more 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 2019/487