



Contra
Costa
County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: August 6, 2019

Subject: Multifamily Housing Revenue Bonds Reimbursement and TEFRA - Hidden Cove Apartments, Bay Point

RECOMMENDATION(S):

ADOPT Resolution No. 2019/508 authorizing the issuance of Multifamily Housing Revenue Bonds in an amount not to exceed \$19.2 million to finance the costs of the acquisition and rehabilitation of Hidden Cove Apartments, an 88-unit residential rental housing development located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane (APN Nos. 097-090-026-2, 097-091-024-6, 097-091-025-3 and 097-091-026-1) in the Bay Point unincorporated area of the County (the "Development"), including:

- 1) finding and declaring that the recitals contained in the proposed Resolution are true and correct;
- 2) for purposes of Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Revenue Bonds (the "Bonds") to finance the costs of the acquisition and rehabilitation of the Development subject to Board of Supervisors approval of all documents related to the Bonds to which the County is a party;
- 3) declare official intent to issue the Bonds for the Development ;
- 3) adoption of this resolution does not relieve or exempt the borrower from obtaining required permits or approvals, nor obligate the County to incur any obligation or provide financial assistance with respect to the Bonds or the Development; and
- 4) authorizing and directing any authorized officer of the County to do any and all

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **08/06/2019** ☒ 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: August 6, 2019

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

By: Stephanie Mello, Deputy

Contact: Kristen Lackey (925)
674-7793

cc:

things, take any and 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 effectuate the intent of the Resolution.

FISCAL IMPACT:

No impact to the General Fund. 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 are provided for in the bond issue. The bonds will be secured solely by revenues (e.g. rents, reserves, etc.) pledged under the bond documents. No County funds are pledged to secure the bonds.

BACKGROUND:

Contra Costa County, through the Conservation and Development Department, operates a multifamily housing revenue bond financing program. The purpose of the program is to increase or preserve the supply of affordable rental housing available to lower income households and very low income households. The County program may be undertaken within the unincorporated County and within the cities. The proposed financing would implement County policies to increase the supply of affordable housing.

The recommended action is the adoption of a Reimbursement and Tax Equity and Fiscal Responsibility Act (TEFRA) Resolution by the Board, as the legislative body of the County, declaring the County's intent to issue the bonds and authorizing the issuance of Multifamily Housing Revenue Bonds, which will be used to finance the acquisition and rehabilitation of Hidden Cove Apartments, an 88-unit rental housing development located at 2900, 2901, 2911 and 2921-2931 Mary Ann Lane (APN Nos. 097-090-026-2, 097-091-024-6, 097-091-025-3 and 097-091-026-1) in Bay Point.

Steadfast currently owns Hidden Cove and has entered in to a sale agreement with Spira Equity (Spira) and Foundation for Furthering Affordable Housing (FFAH). Hidden Cove Apartments, LP is a limited partnership with FFAH as the managing general partners and Spira as the tax credit equity investor. The partnership proposes the use of housing revenue bonds to refinance and rehabilitate the project, and extend the affordability to 2075. Eighteen units will be reserved for families at or below 50% of the area median income and 69 units will be reserved for families at or below 60% of the area median income.

The main purpose of the proposed Resolution is to acknowledge that a public hearing was held by the Affordable Housing Program Manager on July 29, 2019, with no public comment, and to meet other bond issuance requirements, which are specified in Section 147(f) of the Internal Revenue Code. The proposed bonds cannot be issued until a separate, future resolution is adopted by the Board of Supervisors specifically authorizing the sale of the bonds. Such separate resolution to authorize the sale of bonds would come before the Board after receipt of an allocation from the State of California for Private Activity Bond Authority. An application for Private Activity Bond Authority will be submitted to the California Debt Limit Allocation Committee on August 16, 2019. The expected timing for a Bond Sale Resolution would be January, 2020.

The proposed resolution would not relieve the Borrower from obtaining other required

permits or approvals required by law, nor obligate the County to incur any obligation or provide financial assistance with respect to the Bonds or the Project. Annual expenses of the County related to the monitoring of the Regulatory Agreement are provided for in the bond issue.

CONSEQUENCE OF NEGATIVE ACTION:

Negative action would prevent the County from meeting the public approval requirement of the Internal Revenue Code for issuing Multifamily Housing Revenue Bonds, and prior actions of officers and agents of the County would not be confirmed and ratified. As a result, 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 2019/508

Proof of Publication