



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: December 17, 2019

Subject: Reimbursement Resolution for Multifamily Housing Revenue Bonds - Veterans Square in Pittsburg

RECOMMENDATION(S):

ADOPT Resolution No. 2019/665 conditionally providing for the issuance of multifamily housing revenue bonds in an aggregate amount not to exceed \$18,000,000 to finance the acquisition and construction of Veterans Square Apartments, a 30-unit multifamily residential rental housing development, located at 901 Los Medanos Street (APN 085-182-001) and 295 E. 10th Street (APN 085-196-001) in the City of Pittsburg, 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.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **12/17/2019** ☒ 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: December 17, 2019

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

By: Stephanie Mello, Deputy

Contact: Kristen Lackey (925)
674-7888

cc:

BACKGROUND:

Contra Costa County, through the Department of Conservation and Development, 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 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 jurisdictions.

Satellite Affordable Housing Associates (SAHA), a nonprofit affordable housing developer, requested to participate in the County's multifamily mortgage revenue bond financing program. They will serve as the managing general partner of Veterans Square, L.P. with a tax credit investor partner. The partnership will finance the acquisition and construction of a 30-unit multifamily rental housing facility known as Veterans Square Apartments located at 901 Los Medanos Street (APN 085-182-001) and 295 E. 10th Street (APN 085-196-001) in the City of Pittsburg. Twenty-nine of the units will be affordable to households earning between 30 and 60 percent of the area median income, and one unit will be reserved for the property manager. The project meets the eligibility criteria for bond financing and the County policy for this program. The Board of Supervisors previously allocated approximately \$2.2 million in HOME Investment Partnerships Program funds for Veterans Square and approved the County submission of an application to the State for \$3.6 million in No Place Like Home funds.

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, Veterans Square, L.P. 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 2019/665