



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: February 11, 2020

Subject: Reimbursement Resolution for Multifamily Housing Revenue Bonds - Hacienda in Richmond

RECOMMENDATION(S):

ADOPT Resolution No. 2020/36 conditionally providing for the issuance of multifamily housing revenue bonds in an aggregate amount not to exceed \$80,000,000 to finance the acquisition and rehabilitation of Hacienda Apartments, a 150-unit multifamily residential rental housing development located at 1300 Roosevelt Avenue in the City of Richmond, (APN 534-370-028), and approving related actions.

FISCAL IMPACT:

There is no fiscal impact associated with this action. 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 ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **02/11/2020** ☒ 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
Federal D. Glover, District V
Supervisor

ABSENT: Karen Mitchoff, District IV
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: February 11, 2020

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

By: Stephanie Mello, Deputy

Contact: Kristen Lackey,
925-674-7793

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 jurisdiction.

Richmond Hacienda, L.P. (the "Partnership") requested to participate in the County's multifamily housing revenue bond financing program. Mercy Housing Calwest, with the assistance of Community Housing Development Corporation, will serve as the managing general partner of the Partnership with a to-be-named tax credit investor partner. The Partnership will be the Borrower of the bond proceeds, which will be used to finance the acquisition and rehabilitation of an 150-unit multifamily rental housing facility known as Hacienda Apartments located at 1300 Roosevelt Avenue in the City of Richmond. All of the units will be affordable to households earning up to 50 percent of the area median income. The project meets the eligibility criteria for bond financing and the County policy for this program. On June 26, 2018, the Board of Supervisors allocated \$1,810,000 of Community Development Block Grant funds to Hacienda Apartments.

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, Richmond Hacienda, 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 2020/36