



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: August 3, 2021

Subject: Approve Reissuance of Notes for Bay Point Family Apartments

RECOMMENDATION(S):

1. ADOPT Resolution No. 2021/229 approving the reissuance of Multi-Family Housing Revenue Notes in the amount of \$66,000,000 that provided financing for the construction of a 193-unit residential rental housing development known as Baypoint Family Apartments located at 3600-3628 Willow Pass Road in the Bay Point unincorporated area of the County. Such approval is solely for the purposes of satisfying the requirements of Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code");

2. ACKNOWLEDGE that adoption of this resolution does not relieve or exempt the project sponsor from obtaining required permits or approvals, nor obligate the County to incur any obligation to provide financial assistance with respect to the Bonds or the Development; and

3. AUTHORIZE and DIRECT the Chair of the Board of Supervisors, the Vice-Chair of the Board of Supervisors, the County Administrator, the Director of Conservation and Development, the Assistant Deputy Director of Conservation and Development, County

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **08/03/2021** ☒ 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 3, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Deidre Hodgers,
925-655-2892

cc:

Counsel and the Clerk of the Board to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of the Resolution and the transactions authorized.

FISCAL IMPACT:

No impact to the General Fund. The County will be reimbursed for any costs incurred in the process of conducting the TEFRA Hearing, and Board of Supervisors' approval. The reissuance authorization is for the sole purpose of meeting the provisions of the Code. No County funds are pledged to secure the bonds.

BACKGROUND:

Contra Costa County, through the Conservation and Development Department, operates a multifamily mortgage 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. The County is authorized to issue multifamily housing revenue notes and bonds pursuant to Section 52075 and following of the California Health and Safety Code.

On October 23, 2018, the Board of Supervisors adopted Resolution No. 2018/512 authorizing the issuance of two series (2018 B-1 and B-2) of multifamily housing revenue notes (the "Notes") in the principal amount of \$66,000,000, and loaned the proceeds to Baypoint Family Apartments, L.P., a California limited partnership (the "Borrower"), to provide financing for costs of the acquisition and construction of a 193-unit residential rental housing development located at 3600-3628 Willow Pass Road in the unincorporated Bay Point area of the County known as Baypoint Family Apartments (the "Development").

Due to unforeseen circumstances, the completion of the construction and lease-up of the Development has been delayed, and the Borrower and the owner of one of the Notes, the Series 2018B-1, have agreed to modify some of the documents executed in connection with the issuance of the Notes, to increase the principal amount of the Series 2018B-1 Note to remain outstanding and to change the interest rate following the conversion of the Series 2018B-1 Note to the permanent phase of the financing. The modification of the documents will result in a "reissuance" of the Notes for purposes of the Code. In order for the interest on the Notes to continue to be tax-exempt, Section 147(f) of the Code requires that the Board of Supervisors approve the reissuance of the Notes following the conduct of a public hearing on the financing of the Development.

A public hearing was held by the Department of Conservation and Development on July 13, 2021, where members of the community were given an opportunity to speak in favor of or against the use of tax-exempt financing for the Development. No public comments were received. A notice of the hearing was published in the East County Times (proof of publication attached) on July 6, 2021.

CONSEQUENCE OF NEGATIVE ACTION:

Without the approval of the reissuance, the interest on the Notes will become subject to federal income taxes.

CHILDREN'S IMPACT STATEMENT:

Bay Point Family Apartments will support outcome number 3: Families are Economically Self Sufficient.

ATTACHMENTS

Resolution 2021/229

Proof of Publication

TEFRA transcript