

TO: REDEVELOPMENT AGENCY

CONTRA COSTA

FROM: PHIL BATCHELOR,
EXECUTIVE DIRECTOR

DATE: April 10, 1990

90 APR 19 PM 3:45

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Costa
CountySUBJECT: Agreement for Provision of Mortgage Assistance,
Neighborhood House of North RichmondSPECIFIC REQUEST(S) OR RECOMMENDATIONS(S) & BACKGROUND AND JUSTIFICATIONRECOMMENDATIONS

Approve the Agreement for provision of Mortgage Assistance with Neighborhood House of North Richmond and authorize the Executive Director or his designee to execute the agreement.

FISCAL IMPACT

None

BACKGROUND/REASONS FOR RECOMMENDATIONS

The Redevelopment Agency's North Richmond Affordable Housing Project calls for the Agency to attain affordability of the housing units by making available to the purchasers of the units additional funds in the form of a second mortgage. This mortgage would be silent, that is it would have no monthly payment nor interest attached to it.

The Agency obtained Community Development Block Grant Funds with which to attain this affordability. However, because of restrictions on the use of those funds it is necessary to work with a Neighborhood Non-Profit Organization which would be the conduit for this second mortgage. The Agency has negotiated an agreement with Neighborhood House of North Richmond which will allow the Agency to transfer funds to Neighborhood House and then Neighborhood House would buy down a portion of the sales price of the units and secure that financial assistance with a Promissory Note and Deed of Trust.

CONTINUED ON ATTACHMENT: x YESSIGNATURE: *James H. [unclear]*

 RECOMMENDATION OF EXECUTIVE DIRECTOR RECOMMENDATION OF AGENCY COMMITTEE
 APPROVE OTHER

SIGNATURE(S):

ACTION OF AGENCY ON April 10, 1990 APPROVED AS RECOMMENDED x OTHER
 VOTE OF COMMISSIONERS

 x UNANIMOUS (ABSENT)
 AYES: NOES:
 ABSENT: ABSTAIN:

I HEREBY CERTIFY THAT THIS IS A
 TRUE AND CORRECT COPY OF AN
 ACTION TAKEN AND ENTERED ON THE
 MINUTES OF THE REDEVELOPMENT
 AGENCY ON THE DATE SHOWN.

The Agreement contains specific restrictions with respect to repayment of the loan so that the Agency's investment in the properties through Neighborhood House is secured. Approval of this Agreement will allow this method of financing to proceed. The Agreement calls for a payment of \$1,000 to Neighborhood House as consideration for their participation. This payment would be drawn from the CDBG funds available for this project.