

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA
and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 12/12/2017 by the following vote:

AYE:

NO:

ABSENT:

ABSTAIN:

RECUSE:



Resolution No. 2017/443

IN THE MATTER OF authorizing execution of a Disposition Development and Loan Agreement by and between the County of Contra Costa and Heritage Point A/G, L.P., a California limited partnership (the "Partnership"), and making findings and approvals pursuant to the California Community Redevelopment Law, for the sale of property to the Partnership and the development of the Heritage Point Development, with 42 affordable multi-family residential units in the North Richmond Area.

The Board of Supervisors (the "Board") of the County of Contra Costa (the "County") adopted the North Richmond Redevelopment Plan North Richmond Redevelopment Project Area by Ordinance No. 87-50, adopted on July 14, 1987, as amended by Ordinance No. 94-63, adopted on December 6, 1994, as amended by Ordinance No. 99-06, adopted on February 23, 1999, as amended by Ordinance No. 99-31, adopted on June 8, 1999, as further amended by Ordinance No. 2006-35, adopted on July 18, 2006, and as further amended by Ordinance No. 2007-25, adopted on June 5, 2007, which sets forth a plan for redevelopment of the North Richmond Redevelopment Project Area. The County has succeeded to the housing assets of the former Contra Costa County Redevelopment Agency (the "Former Agency") in accordance with Health and Safety Code Section 34176. In its capacity as housing successor, the County owns six parcels of real property, fronting the east side of Fred Jackson Way, between Grove Street and Chesley Avenue, in North Richmond (the "Site"). The Site has been identified as a "housing asset" pursuant to Health and Safety Code Section 34176. The Oversight Board of the Contra Costa County Successor Agency and the California Department of Finance have approved such identification. The Former Agency acquired the Site using the Former Agency's low and moderate housing fund, which was established pursuant to Health and Safety Code Section 33334.2.

On May 9, 2017, the County and Community Housing Development Corporation of North Richmond ("CHDC") entered into a Disposition and Development Agreement (the "Original DDA") governing the transfer and redevelopment of the Site through the construction of forty-two (42) multifamily rental apartment units affordable to low and moderate income persons and limited commercial space on the Site. Under the Original DDA, the County would sell the Site to CHDC for a purchase price of Five Hundred Thirty Thousand Six Hundred Fifty-Five Dollars (\$530,655) or such price as is determined to be the fair market value of the Property established by an analysis of sales of comparable properties (the "Purchase Price"), which would be paid at the time of transfer.

The County intends to subdivide the Site to facilitate the construction of the forty-two (42) multifamily rental apartment units affordable to low and moderate income persons (the "Housing Improvements") on one portion of the Site (the "Housing Parcel"), and the construction of the commercial improvements (the "Commercial Improvements") on the other portion of the Site (the "Commercial Parcel").

CHDC has formed the Partnership in which a CHDC affiliate is the general partner to facilitate the construction of the Housing Improvements on the Housing Parcel.

The County has established a Low and Moderate Income Housing Asset Fund (the "Housing Fund") pursuant to Health and Safety Code Sections 34176. The Partnership intends to finance the cost of the Housing Improvements with public and private sources, as more particularly described in Section V of the Section 33433 Summary Report (defined below).

The County and the Partnership now propose to enter into a Disposition Development and Loan Agreement (the "DDLA") governing the transfer and redevelopment of the Housing Parcel, as described in the DDLA, as well as the terms of the loan of Housing Successor Low Moderate Income Housing Funds ("LMIHF"), and Community Development Block Grant (CDBG) funds (collectively, the

“County Loan”). The DDLA proposed for consideration supersedes the Original DDA with respect to the construction of the Housing Improvements, and reflects the affiliated entity purchase, and the County financing of the Housing Improvements. The \$530,655 sales price referenced in the Original DDA has been modified to segregate the price for the Residential Parcel (\$464,325) and Commercial Parcel (\$66,330). A Disposition and Development Agreement for the transfer of the Commercial Parcel between the County and CHDC or a wholly owned affiliate of CHDC will be considered by the Board at a later date. The County Loan will serve the purpose of Health and Safety Code Section 33334.2, providing a benefit to the Project Area, by assisting in the development of affordable housing for persons living and/or working in the Project Area, and serve major goals and objectives of the Redevelopment Plan by improving and increasing the supply of housing available at affordable housing cost in the community, thereby decreasing the market pressure on the supply of affordable housing in the community and the Project Area.

The DDLA provides for terms of the loan of \$2,990,254 in LMIHF (including land for the residential portion of the development) and \$2,900,000 in CDBG funds. It may be necessary to increase the loan from LMIHF by up to \$910,000 (\$350,000 + 560,000) to cover a short-fall in funding. The 2014 loan of \$48,000 in HOME Investment Partnerships Act (HOME) funds with a three percent annual interest to CHDC, now \$51,925.24 will be repaid at closing. The County and CHDC also intend to enter into a grant agreement for \$1,432,830 of District 1 Livable Communities Trust Funds (the "Livable Communities Grant Agreement") which will provide additional financial assistance for the construction of the Housing Improvements.

The County desires to execute the Livable Communities Grant Agreement and DDLA substantially in the form on file with the Clerk of the Board. Any changes will be approved as to form by legal counsel. The DDLA: (i) conveys the Housing Parcel to the Partnership, for \$464,325; (ii) requires execution of a promissory note and deed of trust to secure payment of the County Loan by the Partnership; (iii) requires execution by the Partnership of a regulatory agreement and declaration of affordability covenants and notice of affordability covenants governing the long term affordability and management of the Housing Improvements (iv) addresses other matters related to the disposition of the Housing Parcel; and (v) governs the terms of the County Loan to the Partnership.

The County has placed on file a copy of the DDLA and the summary report called for in Health and Safety Code Section 33433 (the "33433 Summary Report"), and has made the DDLA and the 33433 Summary Report available for public inspection and copying pursuant to Health and Safety Code Section 33433. A corrected version of the 33433 Summary Report will be filed with the Clerk of the Board when all the financing details are known. A change in the financing amount will not change the findings in the 33433 Summary Report.

The County desires to approve the 33433 Summary Report, in its current form, which indicates that the cost of the development of the Site and the Housing Improvements to the County is \$10,179,313, with a net cost of \$7,179,313 after the deduction of the net present value of loan repayments.

The Board has conducted a duly noticed public hearing on the DDLA and 33433 Summary Report pursuant to Health and Safety Code Section 33433, for the purpose of receiving the input and comments of the public on the DDLA and the 33433 Summary Report.

The Mitigated Negative Declaration previously prepared by the County to serve as the environmental documentation under the California Environmental Quality Act for the Development Plan #14-3026 and Minor Subdivision # 14-00007 and May 5, 2015, for General Plan Amendment # 13-0004 and continues to serve as the environmental documentation for purposes of compliance with the California Environmental Quality Act for consideration of the DDLA.

By the board order accompanying this Resolution which is incorporated into this Resolution by this reference, the County has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors finds that the above recitals are true and correct and have served, together with the 33433 Summary Report and the board order as the basis for the findings and approvals set forth below.

BE IT FURTHER RESOLVED, pursuant to Health and Safety Code Section 33433, the Board of Supervisors hereby finds that the consideration to be given by the Partnership under the DDLA is not less than the fair market value of the Housing Parcel. This finding is based on the facts and analysis set forth in the Staff Report and the Section 33433 Summary accompanying this Resolution.

BE IT FURTHER RESOLVED, pursuant to Health and Safety Code Section 33433, the Board of Supervisors hereby finds that

the conveyance of the Housing Parcel pursuant to the DDLA will assist in the elimination of blight in the Project Area, will provide housing for low- and moderate-income persons, and is consistent with the implementation plan adopted pursuant to Section 33490 of the Redevelopment Law. These findings are based on the facts and analysis set forth in the Section 33433 Summary Report and the board order accompanying this Resolution, which may be briefly synopsized as follows: the sale of the Housing Parcel to the Partnership and construction of the Housing Improvements pursuant to the DDLA will provide 42 units of needed affordable housing to the community and eliminate the blighted conditions of the Site as the Site is currently vacant. Construction of the Housing Improvements will create attractive, quality and affordable housing designed to complement the surrounding developed area.

BE IT FURTHER RESOLVED, additional loan amount of up to \$910,000, is authorized and revised loan documents shall be prepared and executed if the additional funds are needed.

BE IT FURTHER RESOLVED, pursuant to Health and Safety Code Section 33433, the Board of Supervisors hereby approves the DDLA and the 33433 Summary Report, in substantially the form on file with the Clerk of the Board, and all ancillary documents including the Livable Communities Grant Agreement;

BE IT FURTHER RESOLVED that the Board of Supervisors approves execution by the Director, Department of Conservation and Development of the DDLA and all ancillary documents including the Livable Communities Grant Agreement, in substantially the form on file with the Clerk of the Board of Supervisors, with such changes as are approved by the County signatory (such approval to be conclusively evidenced by the execution of the DDLA and ancillary documents including the Livable Communities Grant Agreement); and approves the sale of the Housing Parcel as contemplated in the provisions of the DDLA.

BE IT FURTHER RESOLVED that the Board of Supervisors designates the Clerk of the Board and the Director of the Department of Conservation and Development as the custodian of the documents and other material which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the office of the Department of Conservation and Development at 30 Muir Road, Martinez, CA 94553.

BE IT FURTHER RESOLVED that this Resolution shall take immediate effect from and after its passage.

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 12, 2017

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

Contact: Maureen Toms (925) 674-7878

By: , Deputy

cc: