



U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
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NOV 21 2018

Jane Hornstein, Director
Special Applications Center
US Department of Housing and Urban Development
Ralph H. Metcalfe Federal Building
77 West Jackson Boulevard, Room 2401
Chicago, IL 60604-3507

RE: Application for Demolition and Disposition
Las Deltas and Las Deltas Annex I - CA011600000 and CA011700000

Dear Ms. ~~Hornstein~~: JANE:

The San Francisco Office of Public and Indian Housing (PIH) is writing this letter in support of the award of 95 tenant protection vouchers (TPVs) in connection with the Housing Authority of the County of Contra Costa's (HACCC) application for demolition and disposition of the Las Deltas and Las Deltas Annex I public housing properties (collectively, Las Deltas) in North Richmond, CA.

HACCC approached PIH in 2005, 2008 and in 2012 to discuss the submission of a demolition/disposition application. In all three occasions, the SAC discouraged HACCC from applying because it was determined that HACCC likely did not meet the obsolescence test. Despite repeated HACCC efforts to demonstrate how badly the units needed renovation, they were never able to meet the restrictive HUD definition in effect at the time for obsolescence.

In 2013, HACCC decided to pursue another path. HACCC submitted four applications for Rental Assistance Demonstration (RAD) conversion of the 214 units at this site through the transfer of assistance (TOA) method. Two applications were approved on March 30, 2015, and two were approved on August 16, 2016, when 95 households remained in occupancy. The units at Las Deltas were in such deplorable condition that HACCC appealed to HUD to start relocation immediately. The applicable RAD notice required that early relocation only could be approved under specific conditions and the Office of Recapitalization (RECAP) did not approve early relocation. Instead, RECAP informed HACCC that HACCC could authorize early relocation under its public housing Admissions and Continued Occupancy Plan for health and safety reasons.

PIH was supportive of any efforts that would result in the relocation of the families at Las Deltas from the units that posed serious health and safety risks, arguably with the worst and most dangerous living conditions of any development in the region. PIH worked closely with HACCC and RECAP to ensure that Uniform Relocation Act standards were applied and that an approved relocation plan was in place. PIH also has worked closely with HACCC to remove vacant units at Las Deltas linked with units that closed under RAD TOA from the PIC inventory;

107 of the 214 units have been removed. An additional 18 units are committed to a RAD transaction targeted to veterans in Pittsburg, CA, but only 12 units are expected to close, and 89 units are in a multi-phase CHAP that are uncommitted. Thus, 95 units are or soon will be unassigned.

PIH supports HACCC's pursuit of demolition and/or disposition for these remaining units. It has been a challenge to persuade owners to accept RAD as a viable development option, and HACCC has had to supplement each RAD voucher with three to four regular project-based vouchers to allow the projects to cash flow. As part of this effort, HACCC seeks TPVs for the 95 units and we encourage your office to assist them with as many TPVs as you can to ensure the families from Las Deltas are properly cared for and Contra Costa County does not lose low-income housing subsidies. As you are aware, HUD has begun to do the statutorily-authorized two-year occupancy look-back for TPV awards. Such a look-back would allow HUD to provide 95 TPVs for Las Deltas.

HACCC has provided you with several items to document how far back our discussions have been going with HACCC and RECAP regarding the relocation of the Las Deltas families and the dire conditions at the site. The TPVs would bring closure to this demolition/disposition effort, while maintaining affordable housing opportunities for Contra Costa County.

Please do not hesitate to contact me should you want to further discuss this matter. I can be reached at (415) 489-6444.

Sincerely,



Gerard Windt
Director, Office of Public and Indian Housing
HUD, Region IX