

HOUSING AUTHORITY OF THE COUNTY OF CONTRA COSTA



May 21, 2019

Jane Hornstein, Director
Special Applications Center
US Department of Housing and Urban Development
Ralph H. Metcalf 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:

This letter serves to update the application submitted on July 16, 2018.

The Housing Authority of the County of Contra Costa (HACCC) applied to demolish and/or dispose of 214 units at Las Deltas and Las Deltas Annex I - CA011600000 and CA011700000. CA0116 prior to any RAD conversions was comprised of two properties in AMP 6, property 9A with 58 units in a contiguous series of parcels and property 9B with 80 scattered sites throughout a forty square-block area. CA0117 prior to any RAD conversions was comprised of one property in AMP 7 containing 76 units in a contiguous parcels. Both AMPs are located in unincorporated North Richmond, CA.

Based on discussions with you regarding the application, it is revised to include only the remaining units on these sites that have not been converted to RAD. The application is attached.

HACCC twice pursued HOPE VI funding for this project and pursued a demolition/ disposition application in 2014, only to have HUD advise against Las Deltas' suitability for eligibility. At that time, crime analyses found the area to be one of the most crime-ridden neighborhoods in California. It had been featured in a number of documentaries since 2012 on its suitability for living due to the crime rates, the environmental conditions from the nearby refineries, the dilapidated condition of the units and the isolated geographic location of the property.

RAD Status

Commitments to convert the units under the HUD Rental Assistance Demonstration (RAD) program were issued for all 214 units. Rather than attempting on-site replacement, the RAD strategy was to place RAD units off-site in combination with non-RAD project-based vouchers (PBVs) offered as inducement for developers to take RAD units. HACCC worked hard for three years to convert all 214 units to RAD, but the low rents on the RAD units dissuaded developers



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and committing units to replacement projects was a challenge. Accordingly, the revised application covers 107 units that will not be completed under RAD, including 87 in AMP 6 and 20 in AMP 7. Of these units, HACCC requests demolition and disposition for 75 contiguous units and disposition only for 32 scattered-site units.

Urgent Relocation Efforts

Historically, HACCC has had great difficulty in leasing units at this property and has had to endure vacancies in some cases that lasted over two years. Due to the severely distressed condition of the property and the lack of adequate funding to repair the units for habitability, units remain boarded up and families are subjected to deplorable living conditions. For these reasons, HACCC was forced to pursue a plan of early relocation using the emergency provisions in its Admissions and Continued Occupancy Policy to ensure the safety of the 95 residents that remained in occupancy on the date of Commitments to Enter Into Housing Assistance Payments (CHAPs) approval. The advanced dilapidated nature of the units required HACCC to expedite its relocation of the families for health and safety reasons.

Tenant Protection Voucher (TPV) Request

Given the challenges of committing the RAD units to other PBV-assisted projects, HACCC instead seeks TPVs for the 95 units for which HACCC started relocation. *While only 8 units remain occupied since our initial application submission in August of 2018 when 34 households were in occupancy, HACCC's efforts to remove families from dilapidated and unsafe housing conditions forced earlier relocation and we request 95 TPVs to represent all households initially eligible for relocation. This will mitigate the loss of deeply-subsidized units to the County.*

Demolition and Disposition Urgency

The property is currently 3.7% occupied. The cost of maintaining the property is approximately \$1 million per year regardless of the number of households in place since the nature of the neighborhood requires that all vacated units be secured with metal window and door covers that HACCC is renting at a significant cost to the agency. In addition, HACCC has had to continue to pay for local sheriff patrols of the property to disperse homeless and criminal elements from squatting on the vacated property. The site is clearly a safety hazard.

HACCC has received a bid to demolish the contiguous units. Demolishing these units will save costs and will alleviate serious safety concerns. In addition, a vacant series of contiguous parcels will be easier to draw interest from potential development groups than a series of dilapidated, boarded up and vandalized units.

HACCC's plan is to demolish 75 of the 107 units. The scattered-site units in Property 9B are not projected to be demolished but, rather, sold to interested buyers. HACCC seeks disposition approval for these units so that it can proceed with the process of selling the properties.

The remainder of the units have been or will be demolished or disposed of under RAD.



Potential Gains Going Forward

HACCC has leveraged the RAD assistance, coupled with regular PBV committed from its voucher resources, to create new affordable housing throughout the County. 107 RAD units have been committed to PBV transactions that have added 286 assisted units to the community for low income families and enabled developers to add a total of 502 units of housing in Contra Costa County. HACCC has been instrumental in making this happen through the use of replacement RAD and regular PBV assistance and hopes to facilitate the creation of several hundred more units through the use of tenant protection vouchers.

For these reasons and as further discussed in the revised application, HACCC requests prompt approval of the revised demolition and disposition application and commitment of tenant protection vouchers. Thank you for your continuing assistance,

Sincerely,

Joseph Villarreal
Executive Director



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