

# HOUSING AUTHORITY of the COUNTY OF CONTRA COSTA

## CALENDAR FOR THE BOARD OF COMMISSIONERS

BOARD CHAMBERS ROOM 107, COUNTY ADMINISTRATION BUILDING  
651 PINE STREET  
MARTINEZ, CALIFORNIA 94553-1229

CANDACE ANDERSEN, CHAIR  
MARY N. PIEPHO, VICE CHAIR  
JOHN GIOIA  
KAREN MITCHOFF  
FEDERAL D. GLOVER  
FAY NATHANIEL  
JANNEL GEORGE-ODEN

JOSEPH VILLARREAL, EXECUTIVE DIRECTOR, (925) 957-8000

PERSONS WHO WISH TO ADDRESS THE BOARD DURING PUBLIC COMMENT OR WITH RESPECT TO AN ITEM THAT IS ON THE AGENDA, WILL BE LIMITED TO THREE (3) MINUTES.

The Board Chair may reduce the amount of time allotted per speaker at the beginning of each item or public comment period depending on the number of speakers and the business of the day.  
Your patience is appreciated.

A closed session may be called at the discretion of the Board Chair.

Staff reports related to open session items on the agenda are also accessible on line at [www.co.contra-costa.ca.us](http://www.co.contra-costa.ca.us).

### ANNOTATED AGENDA and MINUTES July 19, 2016

1:30 P.M. Convene and call to order.

**CONSIDER CONSENT ITEMS: (Items listed as C.1 through C.4 on the following agenda) - Items are subject to removal from the Consent Calendar by request from any Commissioner or on request for discussion by a member of the public. Items removed from the Consent Calendar will be considered with the Discussion Items.**

#### **DISCUSSION ITEMS**

D. 1 CONSIDER Consent Items previously removed.

*There were no consent items removed for discussion today.*

D. 2 PUBLIC COMMENT (3 Minutes/Speaker)

*There were no requests to speak at public comment.*

- D.3 CONSIDER accepting oral report on the status of the conversion of Las Deltas under the Rental Assistance Demonstration program. (Joseph Villarreal, Executive Director)

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	AYE
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Jannel George-Oden	AYE

### **ADJOURN**

### **CONSENT ITEMS:**

- C.1 APPROVE and AUTHORIZE the Executive Director of the Housing Authority, or designee, to execute a contract with Sterling Claim Services, Inc. for Housing Quality Standards and Uniform Physical Condition Standards inspections for the period of July 19, 2016 through July 18, 2021.

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	AYE
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Jannel George-Oden	AYE

- C.2 APPROVE and AUTHORIZE the Executive Director of the Housing Authority, or designee, to execute a contract with Overland, Pacific & Cutler, Inc. (OPC), in an amount not to exceed \$301,753 to allow OPC to provide relocation services to public housing residents of the Las Deltas development as part of the process to vacate the property and prepare it for disposition under HUD's RAD program for the period beginning July 20, 2016 through September 30, 2017.

Commissioner John Gioia	AYE
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Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	AYE
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Jannel George-Oden	AYE

C.3 DENY claims filed by Yvonne Baker and Veronica Stallworth.

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	AYE
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Jannel George-Oden	AYE

C.4 RECEIVE the Contra Costa County Housing Authority's investment report for the quarter ending MARCH 31, 2016.

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	AYE
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Jannel George-Oden	AYE

C.5 RATIFY staff's conditional award of 72 project-based vouchers (PBV) under the Rental Assistance Demonstration (RAD) program and 88 units under the traditional PBV program to six different affordable housing developments.

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	AYE
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT

## GENERAL INFORMATION

Persons who wish to address the Board of Commissioners should complete the form provided for that purpose and furnish a copy of any written statement to the Clerk.

All matters listed under CONSENT ITEMS are considered by the Board of Commissioners to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Board or a member of the public prior to the time the Commission votes on the motion to adopt.

Persons who wish to speak on matters set for PUBLIC HEARINGS will be heard when the Chair calls for comments from those persons who are in support thereof or in opposition thereto. After persons have spoken, the hearing is closed and the matter is subject to discussion and action by the Board.

Comments on matters listed on the agenda or otherwise within the purview of the Board of Commissioners can be submitted to the office of the Clerk of the Board via mail: Board of Commissioners, 651 Pine Street Room 106, Martinez, CA 94553; by fax: 925-335-1913; or via the County's web page: [www.co.contracosta.ca.us](http://www.co.contracosta.ca.us), by clicking "Submit Public Comment" (the last bullet point in the left column under the title "Board of Commissioners.")

The County will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Clerk of the Board at least 24 hours before the meeting, at (925) 335-1900; TDD (925) 335-1915. An assistive listening device is available from the Clerk, Room 106. Copies of taped recordings of all or portions of a Board meeting may be purchased from the Clerk of the Board. Please telephone the Office of the Clerk of the Board, (925) 335-1900, to make the necessary arrangements.

Applications for personal subscriptions to the monthly Board Agenda may be obtained by calling the Office of the Clerk of the Board, (925) 335-1900. The monthly agenda may also be viewed on the County's internet Web Page: [www.co.contra-costa.ca.us](http://www.co.contra-costa.ca.us)

The Closed session agenda is available each month upon request from the Office of the Clerk of the Board, 651 Pine Street, Room 106, Martinez, California, and may also be viewed on the County's Web Page.

**AGENDA DEADLINE: Thursday, 12 noon, 12 days before the Tuesday Board meetings.**

To: Contra Costa County Housing Authority Board of Commissioners  
 From: Joseph Villarreal, Housing Authority  
 Date: July 19, 2016



Contra  
 Costa  
 County

Subject: REPORT ON THE STATUS OF THE CONVERSION OF LAS DELTAS UNDER THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM

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### **RECOMMENDATIONS**

CONSIDER accepting oral report on the status of the conversion of Las Deltas under the Rental Assistance Demonstration program.

### **BACKGROUND**

In response to the ongoing lack of funding for public housing, HUD created RAD as a financing tool to preserve existing units by converting the underlying public housing subsidy to a project-based contract with HUD that permits private financing. This will allow public housing units across the country to be modernized or replaced by new construction while providing more stable long-term funding. Although it is still a limited and newly developing program, RAD is HUD's primary tool to fund required rehabilitation or reconstruction of existing public housing.

On March 30, 2015, HUD approved HACCC's RAD application to convert 90 vacant public housing units at Las Deltas in North Richmond to Project-Based Vouchers (PBV) that will be used to develop replacement housing elsewhere. When staff submitted HACCC's RAD application in December 2013, the intention was to also submit a Section 18 Demolition/Disposition (Section 18) application

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Action of Board On: **07/19/2016**  APPROVED AS RECOMMENDED  OTHER

Clerks Notes:

### **VOTE OF COMMISSIONERS**

AYE: John Gioia, Commissioner  
 Candace Andersen,  
 Commissioner  
 Mary N. Piepho,  
 Commissioner  
 Karen Mitchoff,  
 Commissioner  
 Federal D. Glover,  
 Commissioner  
 Jannel George-Oden,  
 Commissioner

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: July 19, 2016  
 Joseph Villarreal, Executive Director

By: June McHuen, Deputy

ABSENT: Fay Nathaniel, Commissioner

Contact: 925-957-8028

cc:

### BACKGROUND (CONTD)

to HUD for the remaining, occupied units at Las Deltas. The primary advantage of a Section 18 application is that it provides a better long-term subsidy stream than the RAD program does. The disadvantages are that HUD has made it very difficult to get a Section 18 application approved, the funding for replacement vouchers under such an application continues to shrink (meaning you may not get any) and HUD does not provide replacement funding for vacant units under a Section 18 application. In discussions with HUD and others it became clear that it would be difficult to get a Section 18 application approved for Las Deltas and HACCC's best option was to submit a RAD application for the remaining 124 units at Las Deltas in order to maximize the chances that the entire property can be converted to project-based assistance that can be used to develop replacement housing elsewhere. As a result, on August 18, 2015, the Board authorized submission of two more RAD applications to HUD that would increase HACCC's previously approved applications for 90 vacant units to include all 214 units at Las Deltas in North Richmond.

Based on discussions with HUD, staff believe that HACCC's August 18, 2015, applications will be approved within the next month or two.

### FISCAL IMPACT

None information item only.

### CONSEQUENCE OF NEGATIVE ACTION

None information item only.

### CLERK'S ADDENDUM



Contra  
Costa  
County

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Housing Authority

Date: July 19, 2016

Subject: CONTRACT WITH STERLING CLAIM SERVICES, INC. FOR HOUSING QUALITY STANDARDS AND UNIFORM PHYSICAL CONDITION STANDARDS INSPECTIONS

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### **RECOMMENDATIONS**

APPROVE and AUTHORIZE the Executive Director of the Housing Authority, or designee, to execute a contract with Sterling Claim Services, Inc. (Sterling) for Housing Quality Standards (HQS) and Uniform Physical Condition Standards (UPCS) inspections for the period of July 19, 2016 through July 18, 2021.

### **BACKGROUND**

HUD requires housing authorities to conduct an annual Housing Quality Standards (HQS) inspections of every unit leased under the voucher program and also a Uniform Physical Condition Standards (UPCS) inspection of every public housing unit. Additional inspections are required as a follow up to any failed inspections, in response to complaints, and as deemed appropriate to ensure compliance with federal program regulations.

Housing authorities are required to issue a competitive request for proposals to find the most cost-effective and best-qualified vendor to provide services. HUD procurement regulations permit for cooperative procurement agreements amongst governmental agencies whereby one agency's competitive solicitation for inspection services can be utilized by another agency if the terms and conditions of the contract are substantially

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Action of Board On: **07/19/2016**  APPROVED AS RECOMMENDED  OTHER

Clerks Notes:

### **VOTE OF COMMISSIONERS**

AYE: John Gioia, Commissioner  
Candace Andersen,  
Commissioner  
Mary N. Piepho,  
Commissioner  
Karen Mitchoff,  
Commissioner  
Federal D. Glover,  
Commissioner  
Jannel George-Oden,  
Commissioner

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ATTESTED: July 19, 2016

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

ABSENT: Fay Nathaniel, Commissioner

Contact: 925-957-8028

cc:

## BACKGROUND (CONTD)

the same.

HACCC utilized this cooperative procurement process to secure the services of Sterling for this latest contract. The Sacramento Housing Authority competitively procured inspection services for HQS and UPCS inspections on January 25, 2012, and executed a contract for 5 years with Sterling as a result of that procurement. HACCC has tailored the scope of services to meet the local needs, but the pricing for inspections reflects the terms agreed upon between Sterling and the Sacramento Housing Authority.

The cost per inspection charged by Sterling has stayed below the cost charged by many competitors and Sterling continues to be the most economically viable solution for inspection services.

In 2015, HUD permitted housing authorities to implement biennial inspections for the Housing Choice Voucher (HCV) Program. As a result, the overall number of inspections has been significantly reduced. The annual costs indicated above reflects an average per year. In alternating years, the costs will be significantly higher or lower than the \$333,059 indicated, but on average the costs will be approximately \$333,059 per year. Every two years, each HCV unit will be inspected and every year, all public housing units will undergo UPCS inspections.

## FISCAL IMPACT

The total annual cost for this contract averages out to approximately \$333,059 per year and up to \$1,665,295 over a five year period. Funding for this contract is included in the Housing Authority's (HACCC) budget.

## CONSEQUENCE OF NEGATIVE ACTION

Should the Board of Commissioners not approve a contract amendment with Sterling Claim Service, HQS and UPCS inspections may not be conducted in a timely manner. This would cause HACCC to fall out of compliance with HUD regulations.

## CLERK'S ADDENDUM



To: Contra Costa County Housing Authority Board of Commissioners  
 From: Joseph Villarreal, Housing Authority  
 Date: July 19, 2016



Contra  
Costa  
County

Subject: CONTRACT FOR PROCUREMENT OF RELOCATION SERVICES FOR RESIDENTS OF LAS DELTAS IN SUPPORT OF RENTAL ASSISTANCE DEMONSTRATION (RAD) EFFORTS

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### **RECOMMENDATIONS**

APPROVE and AUTHORIZE the Executive Director of the Housing Authority, or designee, to execute a contract with Overland, Pacific & Cutler, Inc. (OPC) in an amount not to exceed \$301,753 to allow OPC to provide relocation services to public housing residents of the Las Deltas development as part of the process to vacate the property and prepare it for disposition under HUD's RAD program for the period beginning July 20, 2016 through September 30, 2017.

### **BACKGROUND**

On December 17, 2013, the Board approved submission of two RAD applications for the conversion of 90 vacant public housing units at Las Deltas in North Richmond to RAD project-based voucher (PBV) units that could be used to fund development of affordable housing throughout the County. On March 30, 2015, HUD approved these two applications.

When staff submitted HACCC's RAD application in December 2013, the intention was to also submit a Section 18 Demolition/Disposition (Section 18) application to HUD for the remaining, occupied units at Las Deltas. The primary advantage of a Section 18 application is that it provides a better long-term subsidy stream than the RAD program does. The disadvantages are that HUD has made it very difficult to get a Section 18 application approved, the funding for replacement vouchers under such an application continues to shrink (meaning you may not get any) and HUD does not provide replacement funding for vacant units under a Section 18 application. In discussions with HUD and others it became clear that it would be difficult to get a Section 18 application approved for Las Deltas and HACCC's best option was

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Action of Board On: **07/19/2016**  APPROVED AS RECOMMENDED  OTHER

Clerks Notes:

### **VOTE OF COMMISSIONERS**

AYE: John Gioia, Commissioner  
 Candace Andersen,  
 Commissioner  
 Mary N. Piepho,  
 Commissioner  
 Karen Mitchoff,  
 Commissioner  
 Federal D. Glover,  
 Commissioner  
 Jannel George-Oden,  
 Commissioner

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: July 19, 2016  
 Joseph Villarreal, Executive Director

By: June McHuen, Deputy

ABSENT: Fay Nathaniel, Commissioner

Contact: 925-957-8028

cc:



## BACKGROUND (CONTD)

to submit a RAD application for the remaining 124 units at Las Deltas in order to maximize the chances that the entire property can be converted to project-based assistance that can be used to develop replacement housing elsewhere. As a result, on August 18, 2015, the Board authorized submission of two more RAD applications to HUD that would increase HACCC's previously approved applications for 90 vacant units to include all 214 units at Las Deltas in North Richmond.

Based on discussions with HUD, staff believe that HACCC's August 18, 2015, applications will be approved within the next month or two. Once these approvals are received, the next step will be to help the families living at Las Deltas find new, affordable places to live. It is expected that most, if not all, of the tenants at Las Deltas will relocate using either a housing choice voucher or will move to another public housing property. All of the residents living at Las Deltas at the time of conversion, must be assisted under the laws and regulations set forth in the Uniform Relocation Act, California Relocation Assistance Law and the California Relocation Assistance and Real Property Acquisition Guidelines. The services of a relocation consultant will ensure that HACCC meets all of its legal obligations surrounding relocation. The relocation consultant will also provide comprehensive housing search assistance to Las Deltas tenants as well.

## FISCAL IMPACT

Funding for the relocation contract (and all direct relocation costs to families) will be paid from HACCC's approved annual Capital Fund Program (CFP) budget.

## CONSEQUENCE OF NEGATIVE ACTION

Should the Board of Commissioners not approve the proposed contract for procurement of relocation services for residents of Las Deltas in support of HACCC's RAD conversion, HACCC would not be in compliance with HUD's procurement regulations since the contract would not be awarded to the lowest responsive and responsible bidder. Also, if a contract is not approved, HACCC would have to rely on internal staff who are inexperienced regarding relocation requirements of the Uniform Relocation Act, California Relocation Assistance Law and the California Relocation Assistance and Real Property Acquisition Guidelines.

## CLERK'S ADDENDUM

To: Contra Costa County Housing Authority Board of Commissioners  
 From: Joseph Villarreal, Housing Authority  
 Date: July 19, 2016



Contra  
 Costa  
 County

Subject: claims

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**RECOMMENDATIONS**

DENY claims filed by Yvonne Baker and Veronica Stallworth.

**BACKGROUND**

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**FISCAL IMPACT**

No fiscal impact.

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Action of Board On: **07/19/2016**  APPROVED AS RECOMMENDED  OTHER

Clerks Notes:

**VOTE OF COMMISSIONERS**

AYE: John Gioia, Commissioner  
 Candace Andersen,  
 Commissioner  
 Mary N. Piepho,  
 Commissioner  
 Karen Mitchoff,  
 Commissioner  
 Federal D. Glover,  
 Commissioner  
 Jannel George-Oden,  
 Commissioner

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ATTESTED: July 19, 2016

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

ABSENT: Fay Nathaniel, Commissioner

Contact: Joellen Balbas  
 925-335-1906

cc:

CLERK'S ADDENDUM

ATTACHMENTS

Claim Filed Baker 6-14-16

Claim Filed Stallworth 6-14-16



To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Housing Authority

Date: July 19, 2016

Subject: Investment Report for the Quarter Ending March 31, 2016

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### **RECOMMENDATIONS**

RECEIVE the Housing Authority of the County of Contra Costa's investment report for the quarter ending MARCH 31st ,2016.

### **BACKGROUND**

California Government Code (CGC) Section 53646 requires the Housing Authority of the County of Contra Costa (HACCC) to present the Board of Commissioners with a quarterly investment report that provides a complete description of HACCC's portfolio. The report is required to show the issuers, type of investments, maturity dates, par values (equal to market value here) and the current market values of each component of the portfolio, including funds managed by third party contractors. It must also include the source of the portfolio valuation (in HACCC's case it is the issuer). Finally, the report must provide certifications that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and; (2) HACCC will meet its expenditure obligations for the next six months. (CGC 53646(b)).

The state-mandated report has been amended to indicate the amount of interest earned and how the interest was allocated. The amended report is attached.

In summary, HACCC had \$27,768.79 in interest earnings for the quarter ending March 31st, 2016. That interest was earned within discrete programs and most of the interest earned is available only for use within the program which earned the interest. Further, interest earnings may be restricted to specific purposes within a given program.

The Housing Choice Voucher Program reserve as of 12/31/2015 held in cash and investments was transitioned to HUD held program reserve account. The only funds remaining in investments for the Housing Voucher program is

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Action of Board On: **07/19/2016**  APPROVED AS RECOMMENDED  OTHER

Clerks Notes:

### **VOTE OF COMMISSIONERS**

AYE: John Gioia, Commissioner  
Candace Andersen,  
Commissioner  
Mary N. Piepho,  
Commissioner  
Karen Mitchoff,  
Commissioner  
Federal D. Glover,  
Commissioner  
Jannel George-Oden,  
Commissioner

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: July 19, 2016

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

ABSENT: Fay Nathaniel, Commissioner

Contact: 925-957-8028

cc:

for the Family Self Sufficiency escrow account.

Non-restricted interest earnings within both the voucher and public housing programs must be used solely within those programs, but such interest earnings can be used for a wider range of purposes within the individual programs. The interest earned in the State and Local fund can be used for any purpose within HACCC's scope of operations. The interest earned for the quarter ending March 31st, 2016 is shown below. A more detailed report is attached.

BACKGROUND (CONTD)

Public Housing	Housing Choice Voucher Fund		Rental Rehabilitation Fund	State & Local
Non-Restricted Interest Earned	Restricted Interest Earned	Non-Restricted Interest Earned	Restricted Interest Earned	Non-Restricted Interest Earned
\$5,328.71	\$343.77	\$16,335.15	\$863.50	\$4,897.66

FISCAL IMPACT None. For reporting purposes only. CONSEQUENCE OF NEGATIVE ACTION Should the Board of Commissioners elect not to accept the investment report it would result in an audit finding of non-compliance and could ultimately affect future funding from the U.S. Department of Housing and Urban Development (HUD).

CLERK'S ADDENDUM

ATTACHMENTS Investment Report for QE 3312016





Contra  
Costa  
County

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Housing Authority

Date: July 19, 2016

Subject: AWARD OF 72 PROJECT-BASED VOUCHERS UNDER THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM AND 88 UNITS UNDER THE TRADITIONAL PBV PROGRAM TO SIX AFFORDABLE

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### **RECOMMENDATIONS**

RATIFY staff's conditional award of 72 project-based vouchers (PBV) under the Rental Assistance Demonstration (RAD) program and 88 units under the traditional PBV program to six different affordable housing developments.

### **BACKGROUND**

A housing authority can utilize up to 20% of its Housing Choice Voucher (HCV) funding to "attach" rent subsidies to specific housing units. The attached subsidy is known as a project-based voucher (PBV). PBVs are a component of the HCV program and share most of the same rules and regulations. PBVs are attached to units via a contract with the owner that requires the units be rented to families eligible for the HCV program. While tenants living in a PBV unit may move with regular voucher assistance, the PBV remains attached to the unit and the owner must select another HCV-eligible tenant for that unit. The advantage of PBVs for owners is that the PBV commitment from a housing authority can be used to leverage financing for the construction, rehabilitation or preservation of housing for low-income families by providing a greater cash-flow than the property would otherwise generate. This is because

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Action of Board On: **07/19/2016**  APPROVED AS RECOMMENDED  OTHER

Clerks Notes:

### **VOTE OF COMMISSIONERS**

AYE: John Gioia, Commissioner  
Candace Andersen,  
Commissioner  
Mary N. Piepho,  
Commissioner  
Karen Mitchoff,  
Commissioner  
Federal D. Glover,  
Commissioner  
Jannel George-Oden,  
Commissioner

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: July 19, 2016

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

ABSENT: Fay Nathaniel, Commissioner

Contact: 925-957-8028

cc:

## BACKGROUND (CONTD)

most funding available to owners of affordable projects restricts the rent that can be collected from tenants to an affordable amount that is usually far less than a comparable unit would merit on the open market.

However, because the HCV program pays market rate rents by subsidizing the difference between an affordable rent for the tenant and the market rate rent for a particular unit, and the PBV program uses this same basic formula, the amount of rent that an owner can collect from a PBV unit is usually significantly higher than otherwise available to the project. This allows the owner to leverage far more financing than if PBVs were not available and thus can be crucial to the success of a given project. The primary advantage of PBVs to a housing authority is that they help increase or preserve the supply of permanent, affordable housing available to both the community and to HCV recipients.

HUD requires housing authorities to utilize a competitive process to select developments that will receive PBV or RAD PBV assistance. A housing authority can utilize its own competition or may choose projects that were competitively awarded affordable housing funds under a federal, state, or local government program (e.g., CDBG, HOME, competitively awarded Low-Income Housing Tax Credits). If the competitive process of another governmental entity is used, the award of those funds cannot have occurred more than three years from the PBV selection date and the earlier selection proposal must not have involved any consideration that the project would receive PBV assistance.

There are two methods by which developers can secure PBV assistance. One method is through a competitive solicitation. In September of 2015, HACCC posted a competitive solicitation that advertised the availability of up to 500 units for PBV assistance, conditioned on the acceptance of responders of RAD PBV assistance as part of the award. Twelve developers submitted applications in response to the request for proposals (RFP) and were conditionally approved for 189 RAD PBV and 121 traditional PBV units of assistance. The second method by which PBV assistance can be awarded is through a non-competitive process. As provided for in HACCC's Section 8 Administrative Plan approved by the Board of Commissioners, HACCC can accept proposals for PBV assistance from owners that were selected in another governmental entity's affordable housing competition. In particular, HACCC targets projects awarded funding by the Contra Costa County Department of Conservation and Development in one or more of its competitions for HOME, CDBG, HOPWA or other affordable housing programs. HACCC has taken this approach in order to maximize the success rate of projects funded by both the County and HACCC. One of the six developments that staff propose to fund in this round is El Cerrito Senior which was awarded affordable housing funds by the County during the past three years.

This Board Order seeks to ratify staff's award of 72 RAD PBVs and 88 units of traditional PBVs to six different affordable housing developments. If approved by the Board, HACCC will enter into a housing assistance payment contract (HAP) with the owner of each development for an initial term of fifteen years and an extension of the initial term of fifteen years. Federal statute permits the initial term to be anywhere from one to fifteen years. HACCC utilizes a fifteen year term to mirror the tax credit compliance term and to provide projects with the maximum financing available. In addition, the Federal statute also permits housing authorities to grant an extension of up to fifteen years to the PBV contract at signing. HACCC utilizes the fifteen year extension in order to further increase the financing available to the project and to ensure long-term affordability of the units. Any contract extensions are subject to the availability of federal funding for the HCV program.

All tenants of PBV units must be screened for eligibility for the HCV program by HACCC and must come from HACCC's PBV site-based wait list for the property. The PBV site-based wait list is open to all families on HACCC's HCV wait list. The property owner will then select tenants for occupancy of a particular unit after conducting additional suitability screening consistent with their tenant screening and eligibility policies for that property. Tenants in PBV units will sign an initial lease with a one year term. After one year, a PBV tenant has the ability to move from the PBV unit by using regular tenant-based HCV assistance subject to availability. If a PBV property does not continuously lease up all of its PBV units or if the property fails to meet HUD's Housing Quality Standards for health and safety, then the PBV units awarded to that property can be rescinded.

Since the RAD PBV units will be replacing the public housing units at the Las Deltas development, all residents

living at the Las Deltas development when the final RAD agreements with HUD are signed, will be given priority for any vacant units at the replacement housing sites as well as prioritized on the site-based waiting lists that are to be created as a result of the RAD PBV awards.

To date, HACCC has awarded 473 PBVs in previous funding competitions. Staff recommends that HACCC award an additional 72 RAD PBV units and 88 traditional PBVs to six different developments. A list of the developments proposed to receive PBV assistance is attached.

#### FISCAL IMPACT

Approximately \$71,138,541 of funding will be provided to these six developments over a thirty year span. Of this amount, \$24,614,419 will be tied to the RAD PBV units and \$46,524,122 will go to the traditional PBV units. All funding will be provided as part of HACCC's annual budget from the U. S. Department of Housing and Urban Development (HUD).

#### CONSEQUENCE OF NEGATIVE ACTION

Should the Board not approve the award of PBV units to one or more of these projects, a sufficient number of replacement units will not be awarded to replace the 214 units being converted to RAD at the Las Deltas public housing development. This could cause HACCC to fall out of compliance with HUD regulations.

#### CLERK'S ADDENDUM

#### ATTACHMENTS

RAD PBV Awards Attachment