

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

Adopted this Resolution on 05/08/2018 by the following vote:

		John Gioia
		Candace Andersen
AYE:	5	Diane Burgis
		Karen Mitchoff
		Federal D. Glover
NO:		
ABSENT:		
ABSTAIN:		
RECUSE:		



Resolution No. 2018/172

IN THE MATTER OF authorizing execution of an amendment to the 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"), for the development of the Heritage Point Development, with 42 affordable multi-family residential units in the North Richmond Area.

IN THE MATTER OF authorizing an amendment to the 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"), for 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.

On December 12, 2017 the County and the Partnership entered 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 superseded the Original DDA with respect to the construction of the Housing Improvements, and reflected the affiliated entity purchase, and the County financing of the Housing Improvements. The \$530,655 sales price referenced in the Original DDA was 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 serves 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 provided for terms of the loan of \$2,990,254 (which included \$440,000 in additional interest costs if the bonds needed to be drawn before the end of 2017) for in LMIHF and \$2,900,000 in CDBG funds. When the DDLA was approved, the Board recognized that there might be a need to increase the loan from LMIHF by up to \$910,000 (\$350,000 + 560,000) to cover a short-fall in funding due to the pending tax bill. Although the additional funds were not required for those purposes, they are needed to cover unanticipated costs not identified at the time of closing. 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 was repaid at closing. The County and CHDC also entered 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 subdivided 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 Board conducted a duly noticed public hearing on the DDLA and 33433 Summary Report pursuant to Health and Safety Code Section 33433 on December 12, 2017, for the purpose of receiving the input and comments of the public on the DDLA and the 33433 Summary Report. The Summary Report was approved at that time and a change in the allocation of funds does not change the findings of 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 (approved December 12, 2017) and the board order as the basis for the findings and approvals set forth below.

BE IT FURTHER RESOLVED, additional loan amount of up to \$1,350,000, is authorized and revised loan documents shall be prepared and executed.

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: May 8, 2018

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

By: June McHuen, Deputy

Contact: Maureen Toms, 925-674-7878

cc: