



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: October 6, 2015

Subject: Substantial Amendment to the FY 2015/16 CDBG/HOME Annual Action Plan

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Substantial Amendment to the FY 2015/16 Community Development Block Grant/HOME Investment Partnerships Act Annual Action Plan, to allocate \$2,000,000 in Community Development Block Grant funds to Eden Housing Development, Inc., to finance a portion of the acquisition of the 144-unit East Bluff affordable housing development in Pinole, as recommended by the Affordable Housing Finance Committee.

FISCAL IMPACT:

No General Fund impact. 100 percent federal funds. CDBG funds are provided to the County on a formula allocation basis through the U.S. Department of Housing and Urban Development.

BACKGROUND:

On May 5, 2015, the Board of Supervisors adopted the FY 2015/16 Community Development Block Grant (CDBG)/HOME Investment Partnerships (HOME) Annual Action Plan (Action Plan), which includes the expenditure plan for CDBG funds. There are currently \$2.4 million in unallocated CDBG funds. The Affordable Housing Finance

<input checked="" type="checkbox"/> APPROVE	<input type="checkbox"/> OTHER
<input checked="" type="checkbox"/> RECOMMENDATION OF CNTY ADMINISTRATOR	<input type="checkbox"/> RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/06/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Mary N. Piepho, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

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: October 6, 2015

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

By: Chris Heck, Deputy

Contact: Kara Douglas
674-7880

cc:

Committee (AHFC) met on September 21, 2015 to consider staff recommendations for the East Bluff Apartments (East Bluff) project. The AHFC recommends that the Board of Supervisors allocate \$2,000,000 in CDBG funds to Eden Housing Development to assist in the acquisition of East Bluff.

In August 2015, Eden Housing Development (Eden) applied for \$2,000,000 in CDBG funds to assist in the acquisition of an existing affordable housing development at 1813 Marlesta Court, Pinole. East Bluff was built in 1973, and consists of 13 buildings on 8.14 acres with 144 units. The acquisition of the property in 1998 by East Bluff

BACKGROUND: (CONT'D)

L.P., was financed with tax exempt bonds, low income housing tax credits, and Pinole Redevelopment Agency funds. In 2010, an affiliate of Eden replaced Citizen's Housing as the general partner of East Bluff, L.P. The 15 year tax credit period has expired and Eden is proposing to refinance the project with a new allocation of low income housing tax credits and tax exempt bonds. Eden has requested that the County be the issuer of the tax exempt bonds and there is a bond reimbursement resolution on this October 6, 2015 board agenda. Additional financing includes approximately \$20 million in low income housing tax credits, an existing loan from the City of Pinole, a loan from Eden Housing, and a seller takeback loan.

With over 40 years of service, East Bluff is due for a comprehensive rehabilitation that will restore the integrity of the building envelope, replace the roof, improve site and unit accessibility, and provide energy efficiency upgrades. Eden will renovate 14 units to include accessibility features for tenants with mobility impairments, and an additional four units for tenants with sight and hearing impairments. Most tenants will be temporarily relocated during some portion of the renovation.

In exchange for the CDBG funds, Eden will reduce the restricted rent on 19 of the units from 60 percent area median income to 50 percent area median income. The County will enter into various legal documents with the partnership for this funding. The form of these documents will be submitted for Board of Supervisors approval at a later date following the completion of the federally required review under the National Environmental Policy Act.

CONSEQUENCE OF NEGATIVE ACTION:

If the Board does not approve the Substantial Amendment, including an allocation of CDBG funds, Eden will have to eliminate needed elements from the scope of work.

CHILDREN'S IMPACT STATEMENT:

Preserving and maintaining affordable housing is consistent with outcome #3 of the Children's Report Card: Families are Economically Self Sufficient.