



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: April 19, 2016

Subject: Consent to an Assignment and Assumption of Community Development Block Grant Rental Rehabilitation Loan for 1914 Miner Avenue, San Pablo

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to consent to the assignment and assumption of a \$25,000 Community Development Block Grant rental rehabilitation loan from Kichana Ayore to Neema T. Riaunda and Ayore R. Riaunda.

FISCAL IMPACT:

There is no impact to the General Fund. The rental rehabilitation loans were funded with Community Development Block Grant (CDBG) 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 June 20, 2011, the Housing Authority of Contra Costa County loaned \$25,000 in Community Development Block Grant (CDBG) funding to Kichana Ayore to rehabilitate his rental property located at 1914 Miner Avenue, San Pablo. Mr. Ayore entered into a Promissory Note secured by a Deed of Trust, and a Loan and Regulatory Agreement. In exchange for the loan, Mr. Ayore agreed to rent the property to a low income household for

☒ APPROVE ☐ OTHER
☒ RECOMMENDATION OF CNTY ADMINISTRATOR ☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **04/19/2016** ☒ 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: April 19, 2016

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

By: June McHuen, Deputy

Contact: Kara Douglas,
674-7880

cc:

twenty years. On February 9, 2015, the Housing Authority assigned the Deed of Trust, and the Loan and Regulatory Agreement to the County. On July 10, 2015, Mr. Ayore and co-owner Neema T. Riuanda recorded a Grant Deed to transfer the property to Neema T. Riaunda and Ayore R. Riaunda. The new owners have requested that the County consent to an assignment of the loan and regulatory agreement to the new owners.

BACKGROUND: (CONT'D)

The Riaundas have provided documentation demonstrating the terms of the Regulatory Agreement continue to be met and the property is being rented to a low income family at an affordable rent. In order to maintain this property as affordable housing, it is appropriate to assign the loan from the original property owner, Mr. Ayore, to the new owners, Mr. and Mrs. Riaunda.

The County is providing a consideration to the new owners by not immediately demanding payment of the loan. This consideration benefits the County by maintaining the rental unit as affordable housing.

CONSEQUENCE OF NEGATIVE ACTION:

If the County does not assign the loan from Mr. Ayore to Mr. and Mrs. Riaunda, then the loan would be due and payable. The property may have to be refinanced, or sold to pay the loan and an affordable housing unit may be lost to the County rental stock.