



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: December 8, 2015

Subject: Approval of Community Development Block Grant Legal Documents for the Church Lane Apartment Project in San Pablo

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to (1) execute amended and restated legal documents to consolidate the existing loans to Church Lane – Rubicon Partners, and (2) provide \$455,000 in Community Development Block Grant funds to Church Lane - Rubicon Partners for the rehabilitation of Church Lane Apartments in San Pablo.

FISCAL IMPACT:

No General Fund impact. Community Development Block Grant funds are provided to the County on a formula allocation basis through the U.S. Department of Housing and Urban Development (HUD). CFDA #14.218

BACKGROUND:

On October 7, 2014, the Board of Supervisors allocated \$455,000 in Community Development Block Grant (CDBG) funds to Church Lane - Rubicon Partners for the rehabilitation of Church Lane Apartments at 2560 Church Lane, San Pablo. Church Lane was developed in 1996 by Rubicon Programs and consists of 22 apartments. The County

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **12/08/2015** ☒ 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: December 8, 2015

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

By: Stephanie L. Mello, Deputy

Contact: Kara Douglas 925
674-7889

cc:

through its regulatory agreement requires ten units be affordable to very-low income families. The remaining 12 units are required by other funders to be affordable to low and very-low income families.

An affiliate of Resources for Community Development replaced Rubicon Programs as the general partner in Church Lane - Rubicon Partners in 2014. While the property is in generally fair to good condition, there is extensive water damage to the concrete exterior walkways and supporting columns. The CDBG funds will be used to repair

BACKGROUND: (CONT'D)

the walkways and columns.

The project was originally financed in part with County funds as follows: in March 1995, \$145,000 loan of CDBG funds and \$105,000 loan of HOME Investment Partnerships Act (HOME) funds; in June 1995, \$100,000 loan of CDBG funds; in November 1995, \$340,000 loan in HOME funds; in June 1995, \$100,000 loan in CDBG funds; and in June 1997, \$50,000 loan of HOME funds. As a result there are currently four loan agreements, four deeds of trust, and two regulatory agreements. These various loans will be consolidated into a single amended and restated loan agreement, and amended and restated deed of trust securing the new loan amount, and one amended and restated regulatory agreement. The existing promissory notes will be canceled and there will be a new CDBG promissory note and a new HOME promissory note. The principal amount of the CDBG loan will be the outstanding principal and interest of the original CDBG loans and the additional \$455,000 in CDBG funds. The HOME loan amount will be the original principal and outstanding interest of the original HOME loans. Consolidating the existing loans and the new loan into a single set of legal documents will facilitate ongoing administration of the project. The new loan will have a three percent interest rate and 55 year term, which is typical for CDBG and HOME loans. There may be some annual loan payments if the project has surplus cash flow. Otherwise, the loan is deferred for 55 years. The loan documents are attached in their substantially final form and will be executed in a form approved by County Counsel.

National Environmental Policy Act (NEPA): CDBG projects are subject to NEPA and 24 CFR Part 58 review. The NEPA review for this project has been completed.

CONSEQUENCE OF NEGATIVE ACTION:

Without the approval and execution of the CDBG legal documents, the rehabilitation will not be done and the property will suffer from deferred maintenance.

CHILDREN'S IMPACT STATEMENT:

This project will help preserve existing affordable housing, which supports the Children's Impact Statement: "Families are Economically Self-Sufficient."

ATTACHMENTS

Regulatory Agreement

Deed of Trust

CDBG Note

HOME Note

Amended and Restated Loan Agreement