



**Contra
Costa
County**

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

Subject: Allocation of Fiscal Year FY 2014/15 and 2015/16 Housing Opportunities for Persons with HIV/AIDS (HOPWA)

RECOMMENDATION(S):

APPROVE the allocation of up to \$1,000,000 of fiscal year 2014/15 and 2015/16 Housing Opportunities for Persons with HIV/AIDS (HOPWA) funds for the Virginia Lane project in Concord.

FISCAL IMPACT:

No general fund impact. One hundred percent federal funds. HOPWA funds are provided to the County on a formula basis through the City of Oakland. The County currently has \$950,000 in HOPWA funds available. The applicant has requested \$1,000,000, which leaves a shortfall of \$50,000. The requested authorization is made in an amount up to \$1,000,000 in the event that an additional \$50,000 in HOPWA funds becomes available before the Board is asked to approve the project's loan documents in 2016.

CATALOG OF FEDERAL ASSISTANCE (CFDA NUMBER):

Housing Opportunities for Persons with HIV/AIDS (HOPWA) Program - 14.241.

BACKGROUND:

☒ 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: Stacey M. Boyd, Deputy

Contact: Kristin Sherk
925-674-7887

cc:

The National Affordable Housing Act (Public Law 101-625, approved November 28, 1990) authorizes the Housing Opportunities for Persons with HIV/AIDS (HOPWA) to provide states and localities with resources to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and related diseases.

BACKGROUND: (CONT'D)

The City of Oakland (City) is the HOPWA grant recipient for Alameda and Contra Costa Counties. The City allocates HOPWA funds between the counties based on the number of HIV/AIDS cases. These funds may be used for site acquisition, rehabilitation and new construction of affordable housing, supportive services, housing information services, rent and utility subsidies, and certain other housing related activities for low-income persons living with HIV/AIDS in both incorporated and unincorporated areas of the County.

The Contra Costa Consortium (County staff and staff from the Cities of Antioch, Concord, Pittsburg, Richmond and Walnut Creek) makes funding recommendations to the Board of Supervisors. The Consortium met on November 12, 2015 to consider staff recommendations for the Virginia Lane Apartments project. The Consortium recommends that the Board of Supervisors allocate up to \$1,000,000 in HOPWA funds to Eden Housing, Inc., to assist in the acquisition and rehabilitation of Virginia Lane apartments. VL L.P., whose general partner is an affiliate of Eden Housing Development, will purchase the property from Virginia Lane L.P, whose general partner is an affiliate of Eden Housing, Inc.

The development consists of two apartment complexes: Maplewood Apartments at 1121 Virginia Lane with 53 apartments; and Golden Glen Apartments at 1140 Virginia Lane with 38 apartments. 1121 Virginia Lane was built in 1970 and 1140 Virginia Lane was built in 1964. With approximately 50 years' worth of service, the development is due for a substantial rehabilitation that will comprehensively restore the integrity of the building envelope, address potential seismic concerns, update to current building codes, enhance the efficiency and operation of the major systems, recapitalize reserves, and improve the residents' quality of life.

The County loaned Virginia Lane L.P. \$290,000 in HOME Investment Partnerships Act (HOME) funds in 1999 to assist with the acquisition and rehabilitation of Virginia Lane Apartments. Construction was completed in 2000. The HOME investment per unit was less than \$15,000 and, therefore, the required HOME program term of affordability was five years, expiring in 2005. After the initial five year term expired, the 20 HOME units converted to a County requirement for an additional fifty years with an extended term of affordability through 2055.

The current regulatory agreement designates 20 units as County-assisted: eight units at 30 percent of the area median income (AMI), four units at 40 percent AMI, and eight units at 50 percent AMI. With the HOPWA funds, the regulatory agreement will be amended and restated to add ten units at 30 percent AMI with a mix of one and two bedroom units. The existing County-assisted and new HOPWA units will be required to remain affordable to the target population for up to 55 years. The ten HOPWA units must be reserved for HOPWA eligible tenants for at least ten years and may thereafter be available to the general population based on income eligibility. The new 55 year term of affordability adds 15 years to the existing term of affordability.

The City of Concord is supportive of the project. Preservation of Virginia Lane is consistent with the City's Housing Element. Eden has applied to the City of Concord for \$1.2 million to assist in the rehabilitation. It is expected that the funds will be committed by December 2015. If the City does not approve these funds, Eden will have to significantly reduce the proposed scope of work.

Legal documents for the project will include an amended and restated loan agreement, a promissory note, an amended and restated deed of trust and security agreement, and an amended and restated regulatory agreement for the existing HOME funds and this allocation of HOPWA funds. These documents will be submitted for Board of Supervisors approval at a later date following completion of the federally required review under the National Environmental Policy Act.

CONSEQUENCE OF NEGATIVE ACTION:

If the Board does not approve the allocation of HOPWA funds for the Virginia Lane project, Eden will have to eliminate significant 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.