



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: February 9, 2016

Subject: APPROVAL OF EXTENSION OF TIME FOR HABITAT FOR HUMANITY EAST BAY/SILICON VALLEY TO COMPLETE AND SELL HOMES IN THE MUIR RIDGE DEVELOPMENT IN MARTINEZ

RECOMMENDATION(S):

1. AUTHORIZE the Conservation and Development Director, or designee, to extend from January 31, 2016 to June 30, 2016, the completion date of Phase I of the Muir Ridge Homes project that is being constructed in unincorporated Martinez by Habitat for Humanity East Bay/Silicon Valley using HOME Investment Partnership Act (HOME) funds borrowed from the County, and to extend the corresponding repayment due date from June 30, 2016 to November 30, 2016. 2. AUTHORIZE the Conservation and Development Director, or designee, to consent to future modifications to the completion and repayment dates related to the Muir Ridge Homes project, provided no dates are extended beyond the HOME program maximums.

FISCAL IMPACT:

No General Fund impact. HOME funds are provided to the County on a formula allocation basis through the U.S. Department of Housing and Urban Development (HUD). CFDA #14.239

BACKGROUND:

On February 25, 2014, the Board of Supervisors allocated \$1,500,000 in HOME funds to

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **02/09/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

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

ABSENT: John Gioia, District I
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: February 9, 2016

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

By: June McHuen, Deputy

Contact: Kara Douglas
925-674-7880

cc:

Habitat for Humanity East Bay/Silicon Valley (Habitat) for the Muir Ridge development. On August 12, 2014, the Board approved the legal documents for this project, including the HOME Loan Agreement. On December 9, 2014, the Board approved an amendment to the Loan Agreement to extend the dates for obtaining building permits and starting construction of Phase I of the development.

BACKGROUND: (CONT'D)

Habitat has reported that, as a result of the loss of key construction staff and a steep learning curve related to constructing on a steeply sloped site, the construction of Phase I is three months behind schedule. Permitting Habitat to continue construction based on the current expected building schedule will allow the project to proceed. Delegating to the Director the authority to consent to future requests to modify construction and repayment due dates will enable the Department to respond to any other unforeseen delays in a timely manner. In no event will any dates be extended beyond the HOME program maximums. Under the terms of the loan agreement and pursuant to HOME regulations, Habitat is required to complete the construction and sale of the homes within a certain period of time. If Habitat fails to complete the construction and sale of the homes as required, it will have to convert the homes into rental units or repay the HOME funds.

The purpose of the Muir Ridge project is to improve the supply of ownership housing affordable to and occupied by lower income families in the Martinez area through the construction of a 12-home development in unincorporated Martinez off of Pacheco Boulevard.

The twelve homes will be designated as HOME-assisted and sold to lower income families. Approximately \$225,000 of the HOME funds will be loaned to the lower income families to assist with the purchase of the homes. The remaining HOME funds (\$1,275,000) will be a development subsidy. Affordability and use restrictions are incorporated into the County loan documents.

CONSEQUENCE OF NEGATIVE ACTION:

Habitat will be in default under the Loan Agreement.

CHILDREN'S IMPACT STATEMENT:

This project will support indicator number three: Families are Economically Self Sufficient.