



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: March 1, 2016

Subject: Allocation of \$2,936,605 in CDBG Funds; and \$2,267,098 in HOME Funds as Recommended by the Affordable Housing Finance Committee

RECOMMENDATION(S):

1. APPROVE the Affordable Housing Finance Committee recommendations for the allocation of \$2,936,605 in Community Development Block Grant (CDBG) funds (\$1,829,995 of FY 2016/17 funds, and \$1,106,610 of Housing Development Assistance Funds (HDAF)) to support affordable housing projects in North Richmond and Walnut Creek, and housing services Countywide.
2. APPROVE the Affordable Housing Finance Committee recommendations for the allocation of \$2,267,098 in HOME Investment Partnerships Act funds (HOME), (\$1,887,098 of FY 2016/17 funds and \$380,000 of HOME HDAF), to support affordable housing projects in Bay Point, Concord, El Cerrito, and Pittsburg.

FISCAL IMPACT:

No General Fund impact. HOME Investment Partnerships Act, and 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. CFDA numbers 14.218

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **03/01/2016** ☒ 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: March 1, 2016

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

By: Stephanie L. Mello, Deputy

Contact: 925-674-7880

cc:

and 14.239.

BACKGROUND:

The Affordable Housing Finance Committee (AHFC) is a Board-appointed committee that develops funding recommendations for the Board concerning the allocation of federal funds for affordable housing development.

BACKGROUND: (CONT'D)

The current funding recommendations are the result of a competitive application process initiated in October of 2015. A Notice of Funding Availability was sent to over 100 jurisdictions, public agencies, affordable housing developers and interest groups active in the Urban County (the unincorporated County and all cities except for Antioch, Concord, Pittsburg, and Walnut Creek) and the HOME Consortium (the Urban County and all cities except Richmond) area. The Department of Conservation and Development received 8 applications requesting approximately \$5.8 million (\$3.1 million in Community Development Block Grant funds and \$2.7 million in HOME Investment Partnerships Act funds). The applications include four projects that together will develop 180 new affordable units, three projects that together will rehabilitate 153 existing affordable units, and one project that will provide 16 low interest loans and grants to families to rehabilitation their homes.

The Affordable Housing Finance Committee met on February 9, 2016, to consider funding recommendations from staff for Community Development Block Grant-Housing and HOME Investment Partnership Act projects. Members of the public, including project sponsors, were invited to attend and provide input into the allocation process. Following discussion and comment on each project, the Affordable Housing Finance Committee developed recommendations for the allocation of CDBG, and HOME funds. A summary of the applications and the Affordable Housing Finance Committee actions is attached. The funding recommendations for the housing projects are coming to the Board ahead of the rest of the CDBG projects so that project sponsors can submit concept proposals to the State for Affordable Housing and Sustainable Communities funds by March 16, 2016.

Environmental Review: All Community Development Block Grant, HOME Investment Partnerships Act, Housing Opportunities for Persons with HIV/AIDS, and Emergency Solutions Grant projects are subject to National Environmental Policy Act (NEPA) 24 CFR Part 58 review. The NEPA review for each project will be completed prior to entering into project agreements or other legal documents for the project. Housing developments are also subject to the California Environmental Quality Act (CEQA) review. CEQA review will be carried out by the responsible entity.

To implement the allocations once they are approved by the Board, the County will enter into various legal documents with the developers for each project. These documents may include some or all of the following: Loan Agreement, Promissory Note, Deed of Trust and Security Agreement, Regulatory Agreement, Intercreditor Agreement, Subordination Agreement, Loan Riders and Estoppels. County legal documents will be brought to the Board for approval for each development project at a later date.

FY 2016/17 Community Development Block Grant, HOME Investment Partnerships Act, and Emergency Solutions Grant Action Plan and the Substantial Amendment to the FY 2015/16 Action Plan:

The Action Plan describes the activities the County will undertake during the program year to address priority needs identified in the Contra Costa County FY 2015-20 Consolidated Plan. The Action Plan identifies the use of grant funds and program income received during the program year by activity, and proposed accomplishments. The Action Plan also includes actions the County proposes to undertake during the year to address obstacles in meeting under-served persons, foster and maintain affordable housing, reduce the number of households living under the poverty level, and enhance coordination between public and private housing and social service agencies.

DCD staff will bring the FY 2016/17 Action Plan and the Substantial Amendment to the FY 2015/16 Action Plan to the Board on May 10, 2016, for approval. In order to begin the program year on time, the FY 2016/17 Action Plan must be approved by the Board and submitted to HUD by May 15, 2016.

CONSEQUENCE OF NEGATIVE ACTION:

If the Board does not approve the Affordable Housing Finance Committee funding recommendations, the project sponsors seeking HOME Investment Partnerships Act funds will not be able to submit applications for the Affordable Housing and Sustainable Communities funds on March 16, 2016.

CHILDREN'S IMPACT STATEMENT:

Four of the proposed projects, Elaine Null, Heritage Point, Riley Court and Virginia Lane provide affordable housing for families. This supports Goal 3: Families are Economically Self Sufficient.

ATTACHMENTS

FY 2016/17 Housing Recommendations