



**Contra  
Costa  
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: April 12, 2016

Subject: APPROVAL OF HOUSING OPPORTUNITIES FOR PERSONS WITH HIV/AIDS LEGAL DOCUMENTS  
FOR THE TABORA GARDENS APARTMENTS IN ANTIOCH

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**RECOMMENDATION(S):**

APPROVE the following actions related to making a loan of \$650,000 in Housing Opportunities for Persons with HIV/AIDS (HOPWA) funds to Tabora Gardens L.P. to plan and develop the Tabora Gardens Apartments project in Antioch:

1. FIND, as the responsible agency, that the Notice of Exemption prepared by the City of Antioch, as the lead agency, is adequate for purposes of compliance with the California Environmental Quality Act;
  2. APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute required legal documents to effect the loan;
  3. DIRECT the Conservation and Development Director, or designee, to file a Notice of Exemption for this project with the County Clerk;
  4. DIRECT the Conservation and Development Director, or designee, to arrange for payment of the \$50 handling fee to the County Clerk for filing such Notice of Exemption; and
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☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

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Action of Board On: **04/12/2016** ☒ 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 12, 2016

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

By: Chris Heck, Deputy

Contact: Kara Douglas  
674-7880

cc:

5. ALLOCATE up to an additional \$10,000 in HOPWA funds to cover County expenses related to legal review and development monitoring.

### FISCAL IMPACT:

No General Fund impact. HOPWA funds are provided to the County on a formula allocation basis through the City of Oakland CFDA# 14.241.

### BACKGROUND:

On February 26, 2013, the Board of Supervisors allocated \$200,000 of Neighborhood Stabilization Program (NSP), and \$800,000 of Summer Lake Trust funds to Satellite Affordable Housing Associates (SAHA) for the Tabora Gardens Apartment development. On February 25, 2014, the Board of Supervisors allocated \$650,000 of HOPWA funds, \$700,000 of HOME Investment Partnerships Act (HOME), and an additional \$350,000 in NSP and \$200,000 in Summer Lake Trust funds. Through this Board action, the Board is requested to approve legal documents for the HOPWA loan, and an additional \$10,000 in HOPWA funds to be used for County staff costs. The Board will be requested to approve additional legal documents for the remaining funds at a later date. The HOPWA funds are needed earlier than the other funds to pay for pre-development costs. In addition, the HOPWA funds were awarded from 2012 and 2013 funding contracts and need to be expended prior to the expiration of the County HOPWA contracts with the City of Oakland.

The purpose of the Tabora Gardens Apartment development is to improve the supply of multi-family rental housing affordable to and occupied by lower income senior households in East County through the construction of a 84 unit apartment building in Antioch.

Five of the units will be designated as HOPWA units, four units will be designated as NSP units, eight units will be designated as Summer Lake Trust units, and 18 units (including the other County units) will be designated HOME-assisted units. All of the County-assisted units will be affordable to households earning less than 50 percent of the area median income.

SAHA has formed a limited partnership, Tabora Gardens, L.P. to develop and own this project. Satellite AHA Development, Inc. is the General Partner with a SAHA affiliate as the initial limited partner. The ultimate limited partner will be the tax credit investor. HOPWA funds will be used for predevelopment activities. The loan is due on the earlier of December 31, 2016, or the date of construction loan closing. The intent is for the HOPWA loan to be included with the loan documents for HOME, NSP and Summer Lake Trust funds. That loan is expected to close in summer 2016.

Additional financing for the development includes \$3,283,755 in City of Antioch funds (former redevelopment agency, Community Development Block Grant and NSP), \$5.2 million in Veteran's Housing, \$6.9 million in State Multi-family Housing, \$12.2 million in four percent low income housing tax credits, and a \$24 million in tax exempt bonds (the County will be the bond issuer).

Due to the high construction costs and limited revenue from the restricted rents, the total amount of the financing provided to the project will likely exceed the value of the completed project. Even though the proposed equity investment from low income housing tax credits is substantial compared to the amount of long term debt, the partnership agreement will have numerous safe guards of the investors equity. These safe guards essentially subordinate the County's debt to the investor's equity. Therefore, the County funds may not be fully secured through the value of the property. Though the County loans out the HOPWA funds it receives from the federal government, the County does not need to repay the federal government when loans are not repayed.

National Environmental Policy Act (NEPA): HOPWA projects are subject to NEPA and 24 CFR Part 58 review. The NEPA review for this project has been completed. Required mitigations are included in the loan agreement.

County Counsel has approved to form the following attached documents:

- HOPWA Loan Agreement
- Promissory Note
- Deed of Trust with Assignment Of Rents, Security Agreement, And Fixture Filing

#### CONSEQUENCE OF NEGATIVE ACTION:

Without the approval and execution of the HOPWA and other loan documents, the project will not be constructed. SAHA must close on all financing by September 2016, or its \$36 million in bond and tax credit financing will be lost.

#### ATTACHMENTS

CEQA Notice of Exemption

Tabora HOPWA LOAN Agreement

HOPWA Deed of Trust

HOPWA Promissory Note - Tabora