

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: July 19, 2016



Contra
Costa
County

Subject: REPORT ON THE STATUS OF THE CONVERSION OF LAS DELTAS UNDER THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM

RECOMMENDATIONS

CONSIDER accepting oral report on the status of the conversion of Las Deltas under the Rental Assistance Demonstration program.

BACKGROUND

In response to the ongoing lack of funding for public housing, HUD created RAD as a financing tool to preserve existing units by converting the underlying public housing subsidy to a project-based contract with HUD that permits private financing. This will allow public housing units across the country to be modernized or replaced by new construction while providing more stable long-term funding. Although it is still a limited and newly developing program, RAD is HUD's primary tool to fund required rehabilitation or reconstruction of existing public housing.

On March 30, 2015, HUD approved HACCC's RAD application to convert 90 vacant public housing units at Las Deltas in North Richmond to Project-Based Vouchers (PBV) that will be used to develop replacement housing elsewhere. When staff submitted HACCC's RAD application in December 2013, the intention was to also submit a Section 18

Action of Board On: **07/19/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

AYE: John Gioia, Commissioner
 Candace Andersen,
 Commissioner
 Mary N. Piepho,
 Commissioner
 Karen Mitchoff,
 Commissioner
 Federal D. Glover,
 Commissioner
 Jannel George-Oden,
 Commissioner

ABSENT: Fay Nathaniel,
 Commissioner

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: July 19, 2016

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

Contact: 925-957-8028

cc:

Demolition/Disposition (Section 18) application

BACKGROUND (CONT'D)

to HUD for the remaining, occupied units at Las Deltas. The primary advantage of a Section 18 application is that it provides a better long-term subsidy stream than the RAD program does. The disadvantages are that HUD has made it very difficult to get a Section 18 application approved, the funding for replacement vouchers under such an application continues to shrink (meaning you may not get any) and HUD does not provide replacement funding for vacant units under a Section 18 application. In discussions with HUD and others it became clear that it would be difficult to get a Section 18 application approved for Las Deltas and HACCC's best option was to submit a RAD application for the remaining 124 units at Las Deltas in order to maximize the chances that the entire property can be converted to project-based assistance that can be used to develop replacement housing elsewhere. As a result, on August 18, 2015, the Board authorized submission of two more RAD applications to HUD that would increase HACCC's previously approved applications for 90 vacant units to include all 214 units at Las Deltas in North Richmond.

Based on discussions with HUD, staff believe that HACCC's August 18, 2015, applications will be approved within the next month or two.

FISCAL IMPACT

None information item only.

CONSEQUENCE OF NEGATIVE ACTION

None information item only.

CLERK'S ADDENDUM