



**Contra  
Costa  
County**

To: Board of Supervisors  
From: John Kopchik, Director, Conservation & Development Department  
Date: March 28, 2017

Subject: Approval of Amendments to HOME Investment Partnerships Act Legal Documents for the Lyle Morris Family Center in Antioch

### **RECOMMENDATION(S):**

For the purpose of allowing SHELTER, Inc. of Contra Costa County to change the use of the Lyle Morris Center in Antioch:

1. APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute the amended and restated HOME Investment Partnerships Act program agreement, and other related documents; and
2. APPROVE and AUTHORIZE the Public Works Director, or designee, to execute First Amendment to Ground Lease.

### **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. CFDA 14.239

### **BACKGROUND:**

In 2000, the County and SHELTER, Inc. of Contra Costa County (Shelter Inc.) entered into a ground lease with a term of 20 years so that Shelter Inc. could lease a portion of County-owned property located at 4553 Delta Fair Boulevard in Antioch (the Property). Also in 2000, the County provided a revocable grant to Shelter Inc. of \$587,000 in HOME

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **03/28/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

#### **VOTE OF SUPERVISORS**

AYE: Candace Andersen, District II  
Supervisor  
Diane Burgis, 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 28, 2017

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

ABSENT: John Gioia, District I  
Supervisor

By: Stephanie Mello, Deputy

Contact: Kara Douglas, 674-7880

cc:

Investment Partnerships Act (HOME) funds and granted approximately \$1.6 million from the County General Fund to support the construction of a 20 unit apartment building. The HOME funds were used to support the construction of nine units. Shelter Inc. and the County entered into a regulatory agreement with a 40 year term.

## BACKGROUND: (CONT'D)

Both the ground lease and the regulatory agreement restrict the use of the building for transitional housing. The development, recently known as the Lyle Morris Family Center (the Center), provided transitional housing for homeless households until August 2016.

Operation of the Center was primarily funded by the U. S. Department of Housing and Urban Development (HUD). In the past several years, HUD has placed an increasing emphasis on permanent supportive housing over transitional housing. In May 2016, HUD announced that it would no longer fund the transitional housing program operated by Shelter Inc. and other providers. Shelter Inc. is requesting that the County amend the ground lease, operating agreement, and the HOME regulatory agreement so that Shelter Inc. can convert the facility into permanent housing for families who are homeless or at-risk of homelessness. The revised documents continue to require that four units be occupied by extremely-low income (incomes at or below 30 percent of the area median income (AMI)) tenants and five units be occupied by very-low income (incomes at or below 50 percent AMI) tenants. The revised documents also require that an additional two units be occupied by low-income tenants and seven units be occupied by tenants with incomes at or below 65 percent AMI. Shelter Inc. expects that a significant number of households will have rental subsidies such as Housing Choice Vouchers, Veterans Affairs Supportive Housing vouchers, or Shelter Plus Care. These subsidies will allow households to pay just 30 percent of their income in rent. Shelter, Inc. is also changing the name to Lyle Morris Apartments.

County staff recommends that the Board of Supervisors agree to this request. Attached are documents that would amend and replace the HOME documents.

## CONSEQUENCE OF NEGATIVE ACTION:

Shelter Inc. cannot continue to operate the Center as transitional housing. If the County does not amend the HOME regulatory agreement, Shelter Inc. will be forced to close the Center.

## CHILDREN'S IMPACT STATEMENT:

This action supports Children's Impact Statement number 4: Families that are Safe, Stable and Nurturing.

## ATTACHMENTS

First Amendment to Grant Agreement

First Amendment to Ground Lease

County Regulatory Agreement

HOME Amended and Restated Regulatory Agreement