



**Contra  
Costa  
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: May 9, 2017

Subject: Disposition and Development Agreement – Heritage Point Development, North Richmond Area

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**RECOMMENDATION(S):**

1. OPEN public hearing, RECEIVE testimony, and CLOSE public hearing.
2. APPROVE Resolution No. 2017/71 approving and authorizing the Director of Conservation and Development to execute a Disposition and Development Agreement (DDA) between the County and Community Housing Development Corporation of North Richmond (CHDC) for the sale of six parcels of real property in North Richmond fronting the east side of Fred Jackson Way, between Grove Street and Chelsey Avenue, to CHDC for the development of 42 multi-family residential units and approximately 900 square feet of commercial/retail space.
3. FIND the Adopted Mitigated Negative Declaration, adopted on March 24, 2015, for Development Plan #14-3026 and Minor Subdivision #14-000007 and May 5, 2015, for General Plan Amendment #13-0004, is adequate for the DDA and has been prepared in a manner that is consistent with State and County CEQA guidelines and ADOPT the Mitigated Negative Declaration.
4. AUTHORIZE staff to file a Notice of Determination with County Clerk and pay the

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

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Action of Board On: **05/09/2017** ☐ APPROVED AS RECOMMENDED ☒ OTHER

Clerks Notes:

See Addendum

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
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: May 9, 2017

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

Contact: Maureen Toms, DCD,  
(925) 674-7878

By: June McHuen, Deputy

cc:

filing fee.

### FISCAL IMPACT:

There is no impact on the County's General Fund. The property is a housing asset under Health and Safety Code section 34176 and was acquired using the former Contra Costa County Redevelopment Agency's Low and Moderate Income Housing Fund. The total County cost is anticipated to be \$9.3 million. The financing and other terms of the proposed disposition of the County housing asset are fully described in the attached "33433" report. County funds anticipated to be used for the project have been previously budgeted and the formal loan terms for the various sources of funds will be formalized in a future board action related to the loan documents.

### BACKGROUND:

A major goal of the County General Plan is to improve and expand the supply of decent and safe affordable housing in Contra Costa County. The Heritage Point Project (Project) will result in the construction of a 47-foot tall, four-story building with forty-two (42) affordable multiple-family residential units and 900 square feet of commercial space. The project will be located on a vacant lot in an established neighborhood of unincorporated North Richmond, at the northeast corner of Chesley Avenue and Fred Jackson Way. The Project will be bounded by the Heritage Senior Apartments to the west and residential uses to the east, south and north. The North Richmond Municipal Advisory Council (MAC) is a strong supporter of the project. The MAC recommended approval of the General Plan Amendment and Development Plan for the Project, which was also approved by the County Planning Commission and Board of Supervisors in 2015. The Mitigated Negative Declaration for the Project was approved, in compliance with the California Environmental Quality Act, at the time the General Plan Amendment and Development Plan were approved. CHDC, the developer of the property, was selected by the Board of Supervisors several years ago following a developer solicitation.

The Project density is 52 dwelling units per acre. The unit mix consists of one, two, and three bedroom units, including a manager's unit. The Project includes small retail and office uses with a patio common area and children's play space, as well as other common areas for residents, including a community room. The Project proposes to add landscaping and hardscape along Fred Jackson Way and at the rear of the property.

The Disposition and Development Agreement (DDA) provides for the conveyance of certain real property and the construction of the Project provided certain conditions are met. The former Redevelopment Agency purchased six of the parcels which make up the 32,000 square-foot site between 2009 and 2012. The County continues to pursue the acquisition of an adjacent 1,060 square-foot, land-locked abandoned parcel through a quiet title action. If the County is able to acquire the adjacent property, it will be added to the project site and eliminate blighting conditions. However, the Project can move forward without the acquisition of that property. At this time, the County intends to enter into a DDA so that the Project may proceed before funding deadlines lapse.

Section 33433 of the Health and Safety Code requires the County to hold a public hearing

prior to approving the sale of property acquired with former Redevelopment funds. A summary report of the terms of the proposed disposition has been prepared and is attached hereto.

Approval of the DDA will give CHDC site control, which is necessary for bond and tax credit financial applications, which are expected to be submitted in mid-May 2017. A loan agreement will be brought to Board of Supervisors for consideration before the transaction closes escrow to refinance the existing predevelopment loan and lend additional County funds (the CDBG allocation approved by the Board previously, Livable Communities Trust funds (District I) approved by the Board previously and additional Housing Funds-- see the attached 33433 report for detail) for construction of the Project. The close of escrow is expected to occur in the fall of 2017. Implementation of the DDA will provide 42 new residential units and commercial space, thereby contributing to the community's supply of housing for affordable to very low to moderate-income households. The project allows the County, as Housing Successor, to fulfill its legal obligation for affordable housing production, dispose of housing assets and use funds from the Low and Moderate Income Housing Fund.

#### CONSEQUENCE OF NEGATIVE ACTION:

Failure to approve the DDA will inhibit CHDC's ability to obtain the additional funds it needs to acquire the property and develop the project.

#### CLERK'S ADDENDUM

***CLOSED the hearing;***

***APPROVED Resolution No. 2017/71, with a correction to Attachment 33433 Summary Report: paragraph 4, of Section V to replace the word "Permanent" with the word "Anticipated";***

***FOUND the Adopted Mitigated Negative Declaration is adequate for the DDA and has been prepared in a manner that is consistent with State and County CEQA guidelines;***

***ADOPTED the Mitigated Negative Declaration;***

***AUTHORIZED staff to file a Notice of Determination with County Clerk and pay the filing fee;***

***and CLARIFIED that the Board is approving the availability of the identified funds through the May 19, 2017 Tax Credit Allocation Committee (TCAC) application period only.***

#### ATTACHMENTS

Resolution No. 2017/71

33433 Summary Report

DDA

CEQA-NOD

CEQA-Initial Study-MND

