



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: April 18, 2017

Subject: Approval to Subordinate the County's CDBG/HOPWA Loan Agreement between the County and Garden Park Apartments Community in Pleasant Hill

RECOMMENDATION(S):

APPROVE a Subordination Agreement between the County and Garden Park Apartments Community, and AUTHORIZE the Conservation and Development Director to execute the agreement.

FISCAL IMPACT:

No impact to the General Fund. The County provided a loan to Garden Park Apartments Community for the rehabilitation of the Garden Park apartments using Community Development Block Grant and Housing Opportunities for Persons with HIV/AIDS funds.

BACKGROUND:

On September 30, 2003, the County entered into a CDBG/HOPWA Loan Agreement with Garden Park Apartments Community (GPAC). The County loaned GPAC \$1,000,000 of Community Development Block Grant funds and \$680,000 of Housing Opportunities for Persons with HIV/AIDS funds. The County secured the loan with a Deed of Trust. The County also entered into a Regulatory Agreement that restricts the occupancy of the apartments to low income households who were homeless or at risk of homelessness.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **04/18/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

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: April 18, 2017

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

By: Stephanie Mello, Deputy

Contact: Kara Douglas
925-674-7880

cc:

GPAC, located in Pleasant Hill, is a permanent supportive housing program for 27 formerly homeless families. This program, which opened in 2004, is a critical part of the County's continuum of homeless services and provides much needed affordable housing with intensive on-site services. Unfortunately, tenant rents and current operating subsidies have not kept pace with increasing operating costs. Therefore, GPAC sought and received an allocation of Project-Based Vouchers and Rental Assistance Demonstration (RAD) vouchers from the Housing Authority of the

BACKGROUND: (CONT'D)

County of Contra Costa. The voucher program is regulated by the U.S. Department of Housing and Urban Development (HUD). As a condition of providing the RAD vouchers, HUD requires existing lenders must agree to subordinate their documents to the Rental Assistance Demonstration Use Agreement.

The award of RAD vouchers will provide additional rent revenue to GPAC, which will help stabilize the project. Preservation of affordable housing is consistent with the County's Housing Element goals.

CONSEQUENCE OF NEGATIVE ACTION:

If the County does not subordinate to the new lender, GPAC will not receive the RAD vouchers and may not be able to sustain operations.

CHILDREN'S IMPACT STATEMENT:

Garden Park Apartments supports outcome number 3: Families are Economically Self Sufficient

ATTACHMENTS

RAD Subordination Agreement