



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: December 12, 2017

Subject: Approval of Transfer of Ownership of Church Lane Apartments in San Pablo and Idaho Apartments in El Cerrito, and Related Actions

RECOMMENDATION(S):

1. APPROVE the ownership transfer of Church Lane Apartments in San Pablo from Church Lane - Rubicon Partners, a California Limited partnership, to San Pablo Preservation L.P., a California Limited partnership;
2. APPROVE the ownership transfer of Idaho Apartments in El Cerrito from Idaho Apartments Associates, a California Limited partnership, to San Pablo Preservation L.P., a California Limited partnership;
3. APPROVE the assignment and assumption of County HOME Investment Partnerships Act, Community Development Block Grant, and Housing Opportunities for Persons with HIV/AIDs from the current owners to the new owner; and
4. APPROVE and AUTHORIZE the Director of Conservation and Development, or designee, to execute legal documents to carry out these approvals.

FISCAL IMPACT:

No General Fund impact: 100 percent federal funds. HOME and CDBG funds are provided

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **12/12/2017** ☒ 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: December 12, 2017

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

By: June McHuen, Deputy

Contact: Kara Douglas
925-674-7880

cc:

to the County on a formula allocation basis through the U.S. Department of Housing and Urban Development (HUD). HOPWA funds are provided to the County through an agreement with the City of Oakland, the direct HUD grantee.

BACKGROUND:

The County made a loan of \$1,705,933 to Church Lane-Rubicon L.P. on December 9, 2015, consisting of \$804,400 in HOME Investment Partnerships Act (HOME) funds and \$901,533 in Community Development Block Grant (CDBG) funds. The County made loans to Idaho Apartments L.P. on February 26, 1996 (\$102,000 Housing Opportunities for Persons with HIV/AIDs [HOPWA]) and November 26, 1996 (\$255,000 HOPWA and \$470,000 CDBG) totaling \$827,000 for the rehabilitation of Idaho Apartments located at 10203 San Pablo Avenue, El Cerrito. San Pablo Renovation L.P. intends to acquire and refinance both properties as a single transaction and to renovate both properties.

The ownership entities of both developments are controlled by an affiliate of Resources for Community Development (RCD), an experienced non-profit affordable housing developer. RCD is not seeking any additional HOME, CDBG or HOPWA funds as a part of this transaction. It is requesting that the County consent to the transfer of ownership, assign its loans to the new owner, and add accrued interest to the original principal for a new principal loan amount. In addition, the County is entering into new regulatory agreements with the new owner, and an subordination and intercreditor agreement with El Cerrito.

The purpose of the refinancing is to rehabilitate both properties.

The exterior scope of work at Idaho Apartments includes replacement of roofing, gutters, downspouts, doors, windows, lap siding, and sidewalk improvements. Also, exterior lighting will be replaced and CCTV security system and a key fob entry system will be installed. Interior improvements include replacement of all lighting and plumbing fixtures, new cabinetry, appliances, cook tops, flooring, repainting, and replacement of heaters and hot water heaters. Structural seismic upgrades will be made at all buildings. The community room, services and property management offices will receive updated finishes and layout will be improved. ADA units will be upgraded to meet current code requirements and the site path of travel will be improved.

The exterior scope of work at Church Lane includes replacement of roofing, gutters, downspouts, doors, windows, and replacement of the stucco with lap siding. Also, exterior lighting will be replaced and CCTV security system and a key fob entry system will be installed. Interior improvements include replacement of all lighting and plumbing fixtures, new cabinetry, appliances, flooring, repainting, and replacement of heaters and hot water heaters. The community room and property management office will receive updated finishes and new furnishings. ADA units will be upgraded to meet current code requirements and the site path of travel will be improved as well as modernization of the elevator.

CONSEQUENCE OF NEGATIVE ACTION:

If the County does not undertake the actions described above, Church Lane and Idaho Apartments will not be able to refinance and rehabilitate the existing developments.

ATTACHMENTS

Church Lane Assignment Agreement

Idaho Apartments Assignment Agreement

Church Idaho Refinancing County Loan Agreement

Church Lane Refinanced HOME & CDBG Loan Promissory Note

Idaho Apartments Refinanced HOPWA CDBG Loan Promissory Note

Church Idaho County Combined Loan Deed of Trust

Church Lane County (Local) Regulatory Agreement

Idaho Apartments HOPWA and County Regulatory Agreement

Church Idaho Subordination and Intercreditor Agreement with El Cerrito