



Contra
Costa
County

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: January 23, 2018

Subject: APPROVAL OF CDBG LEGAL DOCUMENTS FOR 561-565 SOUTH 29TH STREET, RICHMOND

RECOMMENDATION(S):

1. **APPROVE** and **AUTHORIZE** the Conservation and Development Director, or designee, to execute required legal documents to provide \$130,000 in Community Development Block Grant (CDBG) funds to Richmond Neighborhood Housing Services, Inc., for the rehabilitation of the residential triplex located at 561-565 South 29th Street in Richmond.
2. **FIND** that the project is exempt from the California Environmental Quality Act [Section 15301(a)].
3. **DIRECT** the Department of Conservation and Development (DCD) to file a Notice of Exemption for this project with the County Clerk.
4. **DIRECT** DCD to arrange for payment of the \$50 handling fee to the County Clerk for filing such Notice of Exemption.

FISCAL IMPACT:

☒ APPROVE
 ☐ OTHER
☒ RECOMMENDATION OF CNTY ADMINISTRATOR
 ☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/23/2018** ☒ 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: January 23, 2018

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

By: June McHuen, Deputy

Contact: Gabriel Lemus,
674-7882

cc:

No General Fund impact. Community Development Block Grant funds are provided to the County on a formula allocation basis through the U.S. Department of Housing and Urban Development (HUD). CFDA# 14.218.

BACKGROUND:

On July 18, 2017, the Board of Supervisors allocated \$280,000 of CDBG funds to Richmond Neighborhood Housing Services, Inc. (RNHS), to rehabilitate five residential properties for low-income households in the City of Richmond. All five properties are currently occupied by low-income households and are in need of interior and/or exterior rehabilitation. Four of the properties are individual single-family homes and the other property is a triplex. RNHS will rehabilitate the triplex property first and the single-family homes after title issues are resolved.

The triplex property is located at 561-565 South 29th Street in Richmond. The rehabilitation work includes interior upgrades (bathrooms, kitchens, flooring, wall repair, and painting), window replacement, exterior stair component improvements, roof downspouts/drains replacement, and roof replacement. The cost to rehabilitate the triplex is \$119,500 based off of the lowest bid received from a qualified general contractor. An additional \$10,500 will be included to the loan for unforeseen costs during construction, such as relocation or possible changes to the scope of work, for a total loan amount of \$130,000.

The CDBG funds will be loaned to RNHS to rehabilitate the triplex property at a one percent interest rate for 30 years. There may be some annual loan payments and payments are contingent on RHNS having adequate revenue or surplus cash flow to make the payments. The legal documents (Loan Documents) are attached and include the following documents:

- CDBG Loan Agreement
- Regulatory Agreement
- Promissory Note
- Deed of Trust

This recommended action includes authorization to execute any and all documents and to take any and all action necessary to implement the activities authorized under the Loan Documents, including execution of loan amendments or modifications for the purposes of agreeing to reasonable extensions of time deadlines.

CEQA and NEPA Determination:

This activity is exempt from CEQA pursuant to 14 CCR 15301(a) and 15061(b)(3). NEPA was completed and this activity converted to an exempt activity under NEPA per 24 CFR Part 58.35(a)(4)(i).

CONSEQUENCE OF NEGATIVE ACTION:

Negative action would prevent the rehabilitation of the triplex residential property located at 561-565 South 29th Street in Richmond.

CHILDREN'S IMPACT STATEMENT:

The project will provide affordable multi-family housing, which supports the Children's Report Card by helping families become economically self-sufficient and enables families to be safe, stable and nurturing.

ATTACHMENTS

Loan Agreement

Regulatory Agreement

Deed of Trust

Promissory Note