



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: May 8, 2018

Subject: Re-allocation of \$1,350,000 of Housing Successor funds for the Heritage Point Apartments Project

RECOMMENDATION(S):

ADOPT Resolution No. 2018/172 authorizing \$1,350,000 of Housing Successor funds previously approved for the Heritage Point Apartment project in North Richmond to be used for a different component of the project cost.

FISCAL IMPACT:

No impact to the General Fund. Housing Successor funds are from the former Redevelopment Agency of the County of Contra Costa Low and Moderate Income Housing Fund.

BACKGROUND:

On December 12, 2017, the Board of Supervisors approved a Disposition, Development, and Loan Agreement (DDLA) between the County and Heritage Point A/G L.P., a California Limited Partnership. The DDLA relates to the construction of Heritage Point Apartments at 1504 Fred Jackson Way in North Richmond, which will include 42 apartments that will be affordable to and occupied by low-income families. Community Development Corporation of North Richmond (CHDC) is the general partner of the partnership and is the project sponsor.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **05/08/2018** ☒ 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: May 8, 2018

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

By: June McHuen, Deputy

Contact: Maureen Toms,
925-674-7878

cc:

Also on December 12, 2017, the Board of Supervisors approved \$1,350,000 of Housing Successor Agency funds ("Affordable Housing Funds") to supplement funds the County had previously allocated to

BACKGROUND: (CONT'D)

the project. Use of the Affordable Housing Funds was restricted to covering funding gaps that CHDC and staff believed could result from the then-proposed federal tax law changes. Fortunately, the anticipated tax-driven funding gaps did not materialize. However, since December 2017, the project has experienced unanticipated increases in construction costs. The increased costs are the result of the newly identified need for additional off-site improvements, revised concrete decks, walls and footings and additional underground power and gas work. The estimated increase in construction costs is \$1,350,047. Staff recommends that the County permit the use of up to \$1,350,000 of Affordable Housing Funds to cover the increase in construction costs.

If the Board approves the proposed revised use of the Affordable Housing Funds, staff will work with County Counsel to amend the existing DDLA accordingly. The revised DDLA will be submitted to the Board for approval.

CONSEQUENCE OF NEGATIVE ACTION:

If the revised use of the Housing Successor funds is not approved, the development will have a significant funding gap and may not be able to be constructed.

CHILDREN'S IMPACT STATEMENT:

Heritage Point Apartments supports Goal #3

ATTACHMENTS

Resolution No. 2018/172