



**Contra  
Costa  
County**

To: Board of Supervisors  
From: John Kopchik, Director, Conservation & Development Department  
Date: September 11, 2018

Subject: Loan Termination and Release of Legal Documents with Hookston Senior Homes Associates

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**RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute documents to terminate a Community Development Block Grant loan between Contra Costa County and Hookston Senior Homes Associates in consideration of full loan repayment, and release of related legal documents including the Regulatory Agreement and Declaration of Restrictive Covenants.

**FISCAL IMPACT:**

Revenue in the amount of \$500,000 plus accrued interest will return to the Community Development Block Grant (CDBG) program, as required by the U.S. Department of Housing and Urban Development, and will be reallocated to new CDBG eligible projects and/or programs. There is no General Fund impact.

**BACKGROUND:**

On November 3, 1998 (C.114), the Board of Supervisors approved the allocation of \$500,000 of FY 1998/99 Community Development Block Grant (CDBG) funds to Affordable Housing Associates for the acquisition and rehabilitation of Hookston Manor Project, a 100-unit affordable senior apartments complex located at 80 West Hookston

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

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Action of Board On: **09/11/2018** ☒ 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: September 11, 2018

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

By: June McHuen, Deputy

Contact: Kristen Lackey, (925)  
674-7793

cc:

Road in Pleasant Hill. The County entered into a loan with Hookston Senior Homes Association, the development partnership, in exchange for the project reserving all 100 units for low-income senior households for a period of 55 years (to December 2055).

## BACKGROUND: (CONT'D)

After twenty years, the project is in need of rehabilitation and the owner has secured financing to accomplish the necessary upgrades while restructuring current debt. As part of the restructuring plan, the CDBG loan will be paid in full plus accrued interest. The new financing includes covenants to continue affordability restrictions beyond December 2055.

The former Redevelopment Agency of the City of Pleasant Hill loaned Hookston Senior Homes Association \$500,000. The City is not being repaid their loan as part of the restructuring plan. Pleasant Hill staff confirmed that they have no objection to the County Loan payoff and their City Council is expected to approve the new transaction at its September 18, 2018 meeting.

Sections 6.1 and 6.3 of the Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement) allow the County to release the borrower from its obligations under the Regulatory Agreement.

## CONSEQUENCE OF NEGATIVE ACTION:

If the County does not approve the termination of the loan and release of related documents, Hookston Senior Home Associates will be unable to refinance and complete the planned rehabilitation.

## ATTACHMENTS

PH-SAHA Hookston Loan Refi Consent Ltr 8-27-18

Hookston\_Termination - Canx of Prom Note

Hookston\_Termination - Substitution and Reconveyance

Hookston\_Termination and Release of Reg Agmt