



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: June 26, 2018

Subject: Subordination Agreements Among Contra Costa County, BRIDGE Aggregate Solar Company LLC, and owners of The Arbors and Sycamore Place Apt

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Conservation and Development Director to enter into subordination agreements among Contra Costa County, BRIDGE Aggregate Solar Company, LLC, and owners of two senior housing developments: Danville Senior Housing Associates and Hercules Senior Housing Associates.

FISCAL IMPACT:

No impact to the General Fund. Danville Senior Housing Associates has an existing Community Development Block Grant loan. Hercules Senior Housing Associates has an existing HOME Investment Partnerships Act loan. The subordination agreements will exclude the solar installation and energy payments from the County's secured property. It will not affect the County's receipt of surplus cash payments.

BACKGROUND:

In September 1998, the County loaned Hercules Senior Housing Associates L.P. \$625,000 of HOME Investment Partnerships Act funds. In 2002, the County loaned Danville Senior Housing Associates L.P. \$1.8 million of Community Development Block Grant funds. Both loans are secured by a Deed of Trust recorded against the property. BRIDGE Housing

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **06/26/2018** ☒ 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: June 26, 2018

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

By: June McHuen, Deputy

Contact: Kara Douglas
925-674-7880

cc:

Corporation (BRIDGE) is the general partner in both

BACKGROUND: (CONT'D)

partnerships. BRIDGE has formed an affiliated entity, BRIDGE Aggregate Solar Company (BASC) to finance, install and operate solar systems on the roofs of several of its properties, including those in Danville and Hercules. BASC and the property owners will enter into an Energy Services Agreement. Under these agreements, energy produced by the solar installation will be sold to the property at a cost lower than the PG&E rate.

BASC is requesting that the County execute Subordination, Non-Disturbance and Attornment Agreements (Agreement) for both properties. Through the Agreement, the County consents to the solar installation, the Energy Services Agreement, and acknowledges that the solar equipment belongs to BASC and is not part of the property securing the County loans.

These agreements do not impair the County's ability to receive loan payments or seek cures for a default under its loan agreement. The installation of solar equipment will reduce operating expenses and reduce carbon emissions.

CONSEQUENCE OF NEGATIVE ACTION:

If the Board does not approve the subordination agreements, BASC will not provide solar energy systems on its Contra Costa properties.

ATTACHMENTS

Energy Services Agreement

The Arbors, Hercules Subordination Agreement

Sycamore Place, Danville Subordination Agreement