



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: October 22, 2019

Subject: Substantial Amendment to the FY 2019/20 Community Development Block Grant - Housing

RECOMMENDATION(S):

APPROVE a Substantial Amendment to the County's FY 2019/20 Community Development Block Grant (CDBG) Action Plan to award a total of \$2,771,523 in CDBG funds two affordable multifamily residential rental projects, as recommended by the Affordable Housing Finance Committee:

1) Acquisition and rehabilitation of Coggins Square Apartments, an 87-unit development in the unincorporated area of the County adjacent to the Contra Costa Centre BART Station in the amount of \$2,370,000; and

2) Replacement and modernization of elevators in Nevin Plaza, a 142-unit Richmond Housing Authority property serving the elderly and disabled in the amount of \$401,523.

FISCAL IMPACT:

There is no fiscal impact to the County General Fund. Community Development Block Grant (CDBG) funds are federal funds provided to the County on a formula allocation basis through the U.S. Department of Housing and Urban Development.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/22/2019** ☒ 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

ABSENT: 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: October 22, 2019

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

By: Laura Cassell, Deputy

Contact: Kristen Lackey (925)
674-7888

cc:

Catalog of Federal Domestic Assistance #14.218

BACKGROUND:

Annually, the County receives an allocation of Community Development Block Grant (CDBG) funds from the United States Department of Housing and Urban Development (HUD). A condition of administering a CDBG program is ensuring the timely use of funds. In May of each year, HUD compares our line of credit (unexpended CDBG plus any program income received) to 1.5 times our annual allocation. If our line of credit is above the 1.5 test, then HUD can reduce our following year's allocation.

Due to a lack of timely viable applications for FY 2019/20 and receipt of over \$2 million in program income during FY 2018/19, the County has \$2,771,523 in CDBG funds to be allocated. These funds need to be expended over \$4 million by May 2020 in order to meet the 1.5 test.

On June 21, 2019, a Special Request for Proposals was publicly issued with applications due by July 22, 2019. Three housing applications were received. One of the applications will be considered with the FY 2020/21 CDBG allocations, and the other two applications were presented to the Affordable Housing Finance Committee at its October 4, 2019 meeting. Below is a summary of the projects and the committee's recommended allocations:

Coggins Square Apartments Acquisition and Rehabilitation Project

Coggins Square Apartments is an 87-unit multifamily residential rental development built 18 years ago by a limited partnership comprised of BRIDGE Housing and a tax credit investor. With the assistance of CDBG, HOME, Redevelopment Agency funds, and private activity bonds, the transit oriented project included 100% affordable units with deep affordability levels and large 3-bedroom units suitable for families. The building is in need of substantial rehabilitation such as water damage remediation, a new roof, repainting and upgrading the units and interior community spaces. An application for multifamily housing revenue bond authority will be submitted to the State on October 11, 2019, for an allocation on December 11, 2019. The County will serve as the conduit bond issuer, for which the Board of Supervisors has already approved two resolutions. The project financing is expected to close in March, 2020. The project meets County and HUD eligibility requirements.

Recommended CDBG allocation: \$2,370,000

Nevin Plaza Elevator Replacement and Modernization

Nevin Plaza is a 142-unit, 7-story multifamily residential rental development built by the Richmond Housing Authority (RHA) in 1986. All of the units in the building are affordable with a specific reservation for elderly or disabled heads of household. One of the elevators has been nonfunctional for several months while the remaining elevator is outdated and unreliable. The total cost of the project would drain the RHA's capital budget and leave them unable to bring vacant units up to a rentable standard, thus continuing their inability to cover operating costs. The RHA issued an RFP for a developer to undertake a major refinance, rehabilitation and construction of a new adjacent building, but that development will not occur for another year or two. This project is an urgent need and meets County and

HUD eligibility requirements.

Recommended CDBG allocation: \$401,523

CONSEQUENCE OF NEGATIVE ACTION:

Not approving the allocation of CDBG funds would prevent the projects from proceeding and risk a reduction in future CDBG allocations.

CHILDREN'S IMPACT STATEMENT:

The recommendation supports one or more of the following children's outcomes:

- (1) Children Ready for and Succeeding in School;
- (2) Children and Youth Healthy and Preparing for Productive Adulthood;
- (3) Families that are Economically Self Sufficient;
- (4) Families that are Safe, Stable and Nurturing; and
- (5) Communities that are Safe and Provide a High Quality of Life for Children and Families.