



**Contra  
Costa  
County**

To: Board of Supervisors  
From: John Kopchik, Director, Conservation & Development Department  
Date: May 24, 2022

Subject: Master Development Agreement and Disposition Development Loan Agreement-Orbisonia Heights  
(Ambrose Village)

## **RECOMMENDATION(S):**

1. OPEN public hearing, RECEIVE testimony, and CLOSE public hearing.
2. ADOPT Resolution No. 2022/192, approving and authorizing the Director of Conservation and Development to execute (i) a Master Development Agreement between the County and Pacific West Communities, Inc. (the Developer) for the development of approximately seven acres of County-owned property located between State Route 4, Bailey Road, East Leland and Ambrose Park in the unincorporated area of Bay Point (the Property) with 384 multi-family residential rental units, a County-owned library and approximately 11,558 sq. ft. of commercial retail space in three phases, and (ii) a Disposition Development and Loan Agreement (DDLA), between the County and Pacific West Communities, Inc. or an affiliated limited liability company (the Borrower), subject to final approval by the County Administrator and approval as to form by County Counsel, for the sale of approximately 3.3 acres of the Property (Site A) for the development of 150 residential rental units and an approximately 20,000 square-foot library as the first phase of the development and the loan of \$1,796,875 to the Borrower (the Loan).

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

Action of Board On: **05/24/2022** ☒ 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 24, 2022

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Maureen Toms (925)  
655-2895

cc:

3. APPROVE and AUTHORIZE the Director of Conservation and Development Department to execute various legal documents in connection with the sale of Site A and the Loan, including the DDLA, Memorandum of DDLA, Assignment Agreement, Deed of Trust, Regulatory Agreement, and Grant Deed. subject to the final approval of the County Administrator and approval as to form by County Counsel.

4. FIND the Environmental Impact Report adopted for the Pittsburg/Bay Point BART Station Area Specific Plan on June 18, 2002, is adequate for the Master Development Agreement and the DDLA and has been prepared in a manner that is consistent with State and County CEQA guidelines and that the Development is exempt from CEQA pursuant to CEQA Section 21155.3.

5. DIRECT staff to file appropriate CEQA documentation with the County Clerk and pay the filing fee.

## FISCAL IMPACT:

There is no impact on the County's General Fund. The property is a housing asset under Health and Safety Code section 34176 and was acquired using the former Contra Costa County Redevelopment Agency's Low- and Moderate-Income Housing Fund (LMIHF), capital tax increment and capital tax allocation bonds. The Loan value is equal to the purchase price of Site A, which was determined by assigning a proportionate amount of the \$4,600,000 appraised value for the Property to Site A, based the number of rental units.

## BACKGROUND:

### Recommended Action

This board order seeks approval of the Master Development Agreement, the Disposition, Development and Loan Agreement for Phase 1, the sale of approximately 3.6 acres for Phase 1, and a loan of \$1,796,875 (the purchase price of Site A) to the purchaser/developer of Site A.

### Project Overview

The seven-acre site to be developed under the Master Development Agreement was assembled by the former Contra Costa County Redevelopment Agency. The County is the Housing Successor to the former Redevelopment Agency. The site is within the Pittsburg/Bay Point BART Station Area Specific Plan and designated as a high-density transit-oriented development.

The development will be completed in three phases. In total, the three-phase development will result in a minimum of 384 housing units, commercial space, and a 20,000 square-foot public library, as shown below.

Site/Phase	Location	#Units	Other Uses
Site A/ Phase 1	Maylard Ave. to E. Leland	150	20,000 sq. ft. library
Site B/Phase 2	Highway 4 to Maylard Avenue	184	11,558 sq. ft. Commercial Retail -TBD
Site C/ Phase 3	S. Broadway to Ambrose Park	50 +	TBD

The following is a summary of the affordability level for the project as a whole.

Number of units	Affordability Level	% of Area Median Income
38	Extremely Low	30%
38	Very Low	50%
230	Low	60%
74	Low	80%
4	Manager's Units	

The project allows the County, as Housing Successor, to fulfill its legal obligation for affordable housing production, disposing of housing assets, and using funds from the former Redevelopment Agency's Low- and Moderate-Income Housing Fund (LMIHF).

### Property Value

An appraisal prepared July 9, 2019, valued the entire seven-acre site at \$4.6 million. The sale price for the property associated with each phase has been determined based on the number of units proposed for each phase and a total price of \$4.6 million. While the final sales price for each phase is subject to a revised appraisal prior to the closing of each phase, below is the expected purchase price of each of the sites used in the three phases of the development.

Site/Phase	#Units	Percentage of development	Pro-rata sales price
Site A/ Phase 1	150	39%	\$1,796,875
Site B/Phase 2	184	48%	\$2,204,167
Site C/ Phase 3	50 +	13%	\$598,958
	384	100%	\$4,600,000

### Phase 1 DDLA; Phase 1 Development

The DDLA for Phase 1 sets forth the terms of the loan of \$1,796,875 for the purchase of Site A. In addition to the DDLA, County legal documents for the sale of Site A and the loan of the purchase price include a promissory note, a deed of trust and security agreement, and a regulatory agreement. There may be some annual loan payments if the project has surplus cash flow. Otherwise, the loan is deferred for 55 years. The DDLA and loan documents are attached in their substantially final form and are subject to approval by the County Administrator and approval as to form by County Counsel. The County's lien against the property will be subordinate to a bank loan. The County may also be requested to sign estoppel agreements. Due to the high development costs relative to the project revenues from the restricted rents, as well as the senior lender and investor security requirements, the County debt may not be fully secured by the value of the property and improvements.

The development of Phase 1 includes two parcels, one for the 150 apartment units and one for the library. Under the terms of the DDLA, both parcels will be conveyed to the developer and the library parcel will be re-conveyed to the County when the improvements are complete. The DDLA also includes a reciprocal easement between the owner of the residential parcel and the library parcel for the shared use of the parking and lobby areas that will be part of the improvements. The County's ultimate ownership of the parcel that is the site of the library is possible because the former Redevelopment Agency acquired the approximately seven acres that comprise the entire site, in part, with capital funds.

### Summary Report

Section 33433 of the Health and Safety Code requires the County to hold a public hearing prior to approving the sale of property acquired with former Redevelopment Agency funds. A 33433 Summary Report of the terms of the proposed disposition is attached and subject to Board approval. It is expected that the Summary Report will be amended in the future when the DDLAs for Phase 2 and Phase 3 are considered by the Board of Supervisors.

### CEQA

In accordance with Section 21155.4 of the California Environmental Quality Act (CEQA), the project is exempt from the requirements of CEQA and is covered by previous environmental review for the following reasons:

- The proposed project is a mixed-use development project.
- The proposed project is within a transit priority area. The existing Pittsburg / Bay Point BART station is a major transit stop and is located within one-half mile of the project site.
- The proposed project is being undertaken to implement, and is consistent with, the Pittsburg/Bay Point BART Station Area Specific Plan adopted by the Board of Supervisors on June 18, 2002. An Environmental Impact Report for the specific plan was certified by the Board of Supervisors upon adoption of the specific plan. SCH# 98022071.
- The proposed project is consistent with Plan Bay Area 2050, which has been determined by the California Air Resources Board as a strategy that would, if implemented, achieve the greenhouse gas emissions reduction targets. The Property is located within the Pittsburg / Bay Point BART Priority Development Area of Plan Bay Area 2050.

### CONSEQUENCE OF NEGATIVE ACTION:

Failure to approve the Master Development Agreement and the DDLA for the first phase will result in delays in the development of affordable housing and the library and the disposition of Housing Successor assets.

### ATTACHMENTS

Resolution 2022/192

Summary Report

Master Development Agreement

DDLA-Phase 1

Development Plan

Public Notice

Presentation