



**Contra
Costa
County**

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: June 21, 2022

Subject: Allocation of FY 2018/19, FY 2019/20, and FY 2020/21 Housing Opportunities for Persons with HIV/AIDS (HOPWA) Funds

RECOMMENDATION(S):

APPROVE the Affordable Housing Finance Committee (AHFC) recommendation for the allocation of \$625,000 in FY 2018/19, FY 2019/20, and FY 2020/21 Housing Opportunities for Persons with HIV/AIDS (HOPWA) funds to Resources for Community Development for the rehabilitation of the Aspen Court Apartments project in Pacheco.

FISCAL IMPACT:

No General Fund impact. 100% Federal Funds. U.S. Department of Housing and Urban Development's FY 2018/19, FY 2019/20, and FY 2020/21 HOPWA funds are provided to the County on a formula basis through the City of Oakland.
CFDA No. HOPWA 14.241

BACKGROUND:

The National Affordable Housing Act (Public Law 101-625, approved November 28, 1990) authorizes the HOPWA program to provide states and localities with resources to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and related diseases. The City of Oakland (City) is the HOPWA grant recipient for Alameda and Contra Costa Counties. The City allocates the HOPWA funds between the

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **06/21/2022** ☒ 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: June 21, 2022

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

By: June McHuen, Deputy

Contact: Kristin Sherk
925-655-2889

cc:

counties based on the number of HIV/AIDS cases. These funds may be used for site acquisition, rehabilitation, and new construction of affordable housing, supportive services, housing information services, rent and utility subsidies, and certain other housing related activities for low-income persons living with HIV/AIDS countywide. The County is the project sponsor with the City and is responsible for the administration and management of the HOPWA Program for Contra Costa County.

On October 7, 2021, County staff hosted the annual "Kick-Off" Meeting, a meeting to announce the County's CDBG, HOME, ESG, HOPWA, and PLHA Notice of Funding Availability (NOFA) and to meet with various private/public non-profit organizations and agencies. The application portal opened that day on October 7, 2021, with applications being due on December 6, 2021. County staff reviewed applications, interviewed project applicants, and determined staff funding recommendations from December 2021 through March 2022.

The AHFC is a Board-appointed advisory committee that makes funding recommendations for the Board concerning the allocation of HOPWA funds for affordable housing development. The AHFC held a public meeting via Zoom on April 21, 2022, to consider staff funding

BACKGROUND: (CONT'D)

recommendations for HOPWA funds. Following discussion and comment on the sole HOPWA 22-23 application, the AHFC recommended funding the Aspen Court Apartments project in Pacheco.

The AHFC recommended that the Board of Supervisors allocate \$625,000 in FY 2018/19, FY 2019/20, and FY 2020/21 HOPWA funds to Resources for Community Development (RCD) for the rehabilitation of a 12-unit rental property. The 20-year old building has capital needs that cannot be addressed with available resources. The project was originally financed as a small HUD-811 project with all units serving as HOPWA-assisted. The 811 program, a retired federal housing subsidy program, funded special needs housing construction. HUD-811 sites were funded as an interest free capital advance with operating subsidies to nonprofit developers of affordable housing for persons with disabilities. Tenants' rents are capped at 30% of their monthly income with the HUD Project Rental Assistance Contract (PRAC) to provide operating funds equal to the difference between annual operating costs and project revenues. The PRAC assistance is used to ensure project feasibility while enabling the project to achieve a deep level of affordability housing extremely-low income households. Annual rent increases approved by HUD have been insufficient to keep up with the physical needs of the property.

The scope of the approved rehabilitation is limited to:

- Exterior accessibility upgrades to the parking lot
- Update exterior lighting and security camera system
- Exterior painting
- Replace roof, replace copper water lines, water pump, and central water heater
- Replace wall mounted heaters in all units
- Unit upgrades to the kitchen cabinets, counters, appliances, flooring/carpet, and bathroom vanities

The AHFC recommended the following contingencies for approval of the HOPWA allocation:

1. Approval of rent increases from HUD through the 811 Program by September 1, 2022, which may be waived at the discretion of the DCD Assistant Deputy Director. (RCD has requested HUD consider an allowable increase in compliance with this condition.)
2. Execution of HOPWA legal documents by December 31, 2022.
3. Confirmation that the project's financials are compliant with the County's Affordable Housing Program Guidelines.

As proposed, \$600,000 in HOPWA funds will be expended during the rehabilitation. The remaining \$25,000 will cover project specific delivery costs incurred by the County, including legal fees. Legal documents for the project will include a loan agreement, a promissory note, a deed of trust and security agreement, a regulatory agreement, and a subordination agreement. These documents will be submitted to the Board of Supervisors approval at a later date.

CHILDREN'S IMPACT STATEMENT:

The recommendation supports outcome #3 of the Children's Report Card: Families are Economically Self Sufficient.