



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: September 13, 2022

Subject: Approval of Miscellaneous Affordable Housing Development Documents

RECOMMENDATION(S):

AUTHORIZE the Department of Conservation and Development Director, or designee, to execute the following:

1. A Junior Lienholder's Acknowledgement and Consent requested by the State of California Housing and Community Development Department (HCD), in connection with HCD's amendments of their regulatory agreements with Tabora Gardens, L.P., the developer of an affordable rental housing community located in Antioch and the recipient of \$3,000,000 in loans from the County in 2016;
2. A Subordination Agreement with Walker & Dunlop, LLC related to the refinance of senior debt at Victoria Family Apartments, an affordable rental housing community located in Hercules and the recipient of \$1,400,000 in loans from the County in 2002; and
3. A Substitution of Trustee and Partial Reconveyance - to the December 17, 2004 County Deed of Trust between the County and Lakeside Apartments, L.P., to update the legal description of the site at Lakeside Apartments, an affordable rental housing community located in Concord and the recipient of \$2,839,890 in loans from the County in 2004.

FISCAL IMPACT:

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **09/13/2022** ☒ 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: September 13, 2022

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

By: June McHuen, Deputy

Contact: Kristin Sherk
925-655-2889

cc:

No fiscal impact.

BACKGROUND:

Tabora Gardens

On August 9, 2016, the Board of Supervisors approved the execution of legal documents for the Tabora Gardens project in the City of Antioch. The Tabora Gardens Senior development was completed and occupied by low-income seniors in 2017 through the new construction of 84 rental units with households earning less than 50% of Area Median Income (AMI). The overall financing at Tabora Gardens includes two loans from State HCD through their Multifamily Housing Program (MHP) and Veterans Housing and Homeless Prevention (VHHP) programs. Since project completion and occupancy in 2017, HCD realized the MHP and VHHP unit designations are incorrect in each of the two HCD regulatory agreements. State HCD has requested the County execute a Junior Lienholder Acknowledgement and Consent for both MHP and VHHP Regulatory Agreements. No impact on County.

BACKGROUND: (CONT'D)

Victoria Green

On December 3, 2002, the Board of Supervisors approved the execution of legal documents for the Victoria Family (aka Victoria Green) Apartments projects in the City of Hercules. The Victoria Green development was completed and occupied in 2004 through the new construction of 132 rental units with households earning between 30% - 60% AMI. Eden Victoria L.P. plans to refinance the senior loan with the LP later this year. The request is for the County consent to the proposed refinancing of the senior loan and to execute a subordination agreement with the new senior lien holder. No impact on County.

Lakeside Apartments

On April 6, 2004 and September 28, 2004, the Board of Supervisors approved the execution of legal documents for Lakeside Apartments in the City of Concord for a loan of \$2,900,000. The Lakeside Apartments acquisition and rehabilitation was completed in 2007 with 124 affordable rental units. All units are affordable to households earning between 30% - 60% AMI. The Lakeside project has historically operated with a “notch” of its land extending into the adjacent parcel. For many years, the adjacent owner has used the approximately 1,000 square-foot “notch” to park cars. The area is elevated above the grade at Lakeside property and has been fenced. The adjacent owner is now owned by a developer that plans to construct a permanent supportive housing project. The owner of the new development included the “notch” of approximately 1,000 square-feet into the design plans. RCD plans to sell the “notch” to the adjacent property owner. To accommodate these plans, the County will need to amend the current County legal documents to update the legal description of the affected property. No material impact on County.

CONSEQUENCE OF NEGATIVE ACTION:

Failure to take the actions requested by our affordable housing partners will result in incorrect regulatory agreements at Tabora Gardens, failure for needed rehabilitation work at Victoria Green, and potential liability exposure at Lakeside.