



Agenda Date: 1/31/2006  
Agenda Placement: 9C

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Howard Siegel for Nancy Watt - County Executive Officer  
Community Partnership Program  
**REPORT BY:** Howard Siegel, Community Partnership Manager, 253-4621  
**SUBJECT:** Request for Loan from Affordable Housing Fund

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### **RECOMMENDATION**

County Executive Officer requests the following in relation to a proposed loan from the Affordable Housing Fund:

1. Adoption of a resolution authorizing a loan in the amount of \$1.3 million in Affordable Housing Funds to Napa Valley Community Housing (NVCH) to purchase property located at 535 Coombsville Road (Assessor's Parcel Nos. 046-011-017 and 046-011-018) for the purpose of creating up to 30 affordable housing units in the City of Napa; and
2. Approval of Budget Transfer No. 49 appropriating \$1.3 million in the Affordable Housing Fund's unappropriated fund balance. (4/5 vote required)

### **EXECUTIVE SUMMARY**

The proposed action is to make a loan to NVCH for the purchase of a 1.21-acre property at 535 Coombsville Road for the purpose of developing up to 30 housing units, all of which will be affordable to low and very-low income households.

The proposed project is intended to be 100% affordable to low and very low income households, with a minimum of 50% affordability (at these levels) required for County funding. The proposed loan is in the amount of \$1.3 Million to be used for property acquisition, with the intent of these proceeds being rolled over into the permanent financing of the project. Repayment terms will be over 55 years, subject to 3.5% annual interest rate, to be paid from residual receipts.

This proposal was presented to the Community Affordable Housing Advisory Board on January 19th and recommended for approval to both the Napa City Council and your Board. The County is represented on this Advisory Board by Supervisors Wagenknecht and Moskowitz. The City of Napa Affordable Housing Fund will be asked to contribute \$564,000 to this project at the February 7th City Council meeting.

**FISCAL IMPACT**

|                                   |   |
|-----------------------------------|---|
| Is there a Fiscal Impact?         | Yes   |
| Is it currently budgeted?         | No  |
| What is the revenue source?       | Affordable Housing Fund, with a current unobligated balance of approximately \$5 million.   |
| Is it Mandatory or Discretionary? | Discretionary   |
| Discretionary Justification:      | Affordable Housing opportunity for low and very-low income households...  |
| Is the general fund affected?     | No  |
| Future fiscal impact:             | none.   |
| Consequences if not approved:     | There are very few opportunities for land acquisition for the purpose of affordable housing in appropriate locations in Napa County. Pursuant to both the 2003 MOU with the City of Napa and our 2004 Settlement Agreement with housing advocates (DeHaro, et. al. vs. County), we have made a commitment to fund appropriate opportunities for affordable housing in the City of Napa. |
| Additional Information:           | None  |

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION**

As indicated in the Executive Summary, the proposed action would approve a \$1.3 Million loan for the acquisition of this property, intended for development as an affordable housing project. Pending City of Napa approvals, it is anticipated that between 15 to 30 units will be developed on this site - all expected to be rentals - for low and very low income households.

The purchase price is consistent with a recent appraisal that concludes that \$1.3 Million is the appropriate value for this 1.21-acre property. The proposed timetable for development is that construction would begin in Spring 2008. The County will receive credit for 31% of the total number of units, pursuant to the 2003 City-County Memorandum of Understanding. Estimated Project cost of \$9.6 Million.

The current unobligated balance (before proposed loan) in the County's Affordable Housing Fund is approximately \$5 Million.

**SUPPORTING DOCUMENTS**

A . Resolution

CEO Recommendation: Approve

Reviewed By: Britt Ferguson