



Agenda Date: 10/24/2006
Agenda Placement: 6K

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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: Amendment to Loan Agreement No. 6373 from Affordable Housing Fund

RECOMMENDATION

County Executive Officer requests approval of and authorization for the Chair to sign Amendment No. 1 to Agreement No. 6373 with Napa Garden Court Associates extending the term through December 10, 2011 for the development of affordable housing.

EXECUTIVE SUMMARY

In late 2004, Napa Valley Community Housing (NVCH), a local non-profit housing developer, purchased a 5.08 acre site located on Lincoln Avenue east of Soscol Avenue and west of Silverado Trail. NVCH obtained this property for the purpose of developing approximately 200 units of affordable housing there within the next 3 to 5 years. The County signed Agreement No. 6373 with Napa Garden Court Associates (a limited partnership created by NVCH for this specific project) in 2004. The agreement loans \$1,000,000 from the County's Affordable Housing Fund to assist with pre-development costs associated with the project. The parcel is adjacent to a five acre parcel owned by the Housing Authority of the City of Napa.

Due to shortfalls in Federal funding, completion of the Napa River Flood Protection Project will take several years longer than originally anticipated. Since this property cannot be developed prior to the "remapping" of the flood plain by the Federal Emergency Management Agency (FEMA), the various lenders involved in this project have been asked to extend their loan termination dates. The proposed action extends the expiration date of the loan agreement (No. 6373) to December 10, 2011.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

There is no Environmental Impact for this item.

BACKGROUND AND DISCUSSION

In late 2004, Napa Valley Community Housing (NVCH), a local non-profit housing developer, purchased a 5.08 acre site located on Lincoln Avenue east of Soscol Avenue and west of Silverado Trail. NVCH obtained this property for the purpose of developing approximately 200 units of affordable housing there within the next 3 to 5 years. The parcel is adjacent to a five acre parcel owned by the Housing Authority of the City of Napa. There has been interest expressed by the Housing Authority of the City of Napa to develop the two sites together. This will allow greater flexibility in the design of a development that can accommodate various income levels and mixed use opportunities, such as for sale housing intermixed with affordable rental housing. Both sites are zoned residential-medium density with an affordable housing overlay.

After purchasing the property, NVCH created a limited partnership specific to the project and applied for a line of credit to develop the site. Identifying a funding source to pay interest on the line of credit was a condition of final approval. Additional conditions of the funding approval included completion of other pre-development activities. The County signed Agreement No. 6373 with Napa Garden Court Associates (the limited partnership created by NVCH for this specific project) in 2004. The agreement loans \$1,000,000 from the County's Affordable Housing Fund to assist with interest payments and pre-development costs associated with the project. The estimated pre-development costs include the potential costs to develop both sites jointly.

Both sites are currently in the 100 year flood plain. As the Napa River Flood Control Project continues toward completion, the sites will be remapped for exclusion from the Flood Plain designation. This was originally expected to take place in 2007. However, the schedule for completion has been delayed by several years, primarily due to a shortfall of Federal funding. In order to allow time for the remapping of the parcel, the various lenders involved in the project have been asked to extend their loan termination dates. The proposed action extends the termination date of the County Affordable Housing Loan Agreement from December 10, 2007 to December 10, 2011.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Gratton