



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 11/13/2018

Agenda Placement: 6Q

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Minh Tran - County Executive Officer
County Executive Office

REPORT BY: Molly Rattigan, Deputy County Executive Officer - 253-4112

SUBJECT: Affordable Housing Budget Adjustment

RECOMMENDATION

County Executive Officer requests approval of Budget Transfer No. CEO004 in the Affordable Housing Fund as follows (4/5 vote required):

1. Increasing appropriations in the Worker Proximity subdivision by \$106,500 to issue new down payment assistance loans using funds paid back and equity earned through the program;
2. Increasing appropriations in the Affordable Housing Projects subdivision by \$650,000 for the Redwood Grove project using \$352,000 in available fund balance from a project loan repaid from The Reserve at the end of Fiscal Year 2017-2018 and \$298,000 from the Affordable Housing Fund General Fund Balance; and
3. Adoption of a resolution reserving an additional \$650,000 in Affordable Housing Funds for the Redwood Grove project in Napa and authorizing the Chair to sign all related loan documents with Burbank Housing.

EXECUTIVE SUMMARY

Today's requested action appropriates funds in the amount of \$106,500 to the Worker Proximity Program. These funds include loan pay backs and appreciation earned. Per the program's guidelines the funds should be reissued as new housing down payment assistance to applicants that work in Napa County and earn less than 120% of median income.

Today's action also implements the budget appropriations to dedicate an additional \$650,000 to the Redwood Grove project and adopt a resolution authorizing the Chair to sign all loan agreements.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Affordable Housing Funds that were previously loaned, have been paid back, and earned appreciation.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This item appropriates funds previously committed to the Worker Proximity program by the Board of Supervisors that have already been loaned and earned appreciation and allocated funds for actions previously taken by the Board of Supervisors. This action also allocates funds to the Redwood Grove project previously approved by the Board of Supervisors on September 18, 2018.
Is the general fund affected?	No
Future fiscal impact:	None; expenditures are expected this fiscal year.
Consequences if not approved:	If this item is not approved, the County will be unable to approve additional Worker Proximity loans and complete loans to the Redwood Grove project.
Additional Information:	

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

Worker Proximity

The Worker Proximity Program was initially funded on December 7, 2010, when the Board of Supervisors authorized the allocation of \$500,000 from the County's Affordable Housing Trust Fund to initiate the pilot program. Since that time \$3,836,830 has been allocated by the Board of Supervisors including \$350,000 in new funds in Fiscal Year 2018-2019. Additionally, 31 loans have been repaid, totaling \$1,246,830. This includes \$937,518 in repaid loans and \$369,812 in appreciation earned.

The Worker Proximity Program provides down payment assistance loans for applicants that work in Napa County, earn 120% of median income or less and purchase a home within 20 road miles of their work place. The program requires a 3.5% down payment from the borrower who must also secure a first mortgage. To date, 129 loans have closed totaling \$4,643,231. Four families are approved and currently looking for homes. Today's action will bring the two families on the waiting list off the waiting list. The program will continue to accept applications for the waiting list.

Today's action requests approval of a budget adjustment in the amount of \$106,500 due to two loans and equity that was recently paid back to the Worker Proximity Program. Per the programs guidelines, staff is seeking permission to issue new loans based on the repayments and appreciation to continue to Worker Proximity program.

Affordable Housing Project

On September 18, 2018, the Board of Supervisors approved a \$650,000 loan to Burbank Housing to cover a cost overrun for the Redwood Grove project. Redwood Grove is a 34 unit for-sale housing project set to be complete in 2020. Today's requested action approves the budget transfer to appropriate funds for the expenditure of the additional \$650,000 and adopt a resolution authorizing the Chair to sign the related loan documents. The County will continue to receive 17 Regional Housing Need Allocation credits for the 2022 cycle for this loan. The City of Napa is also expected to dedicate an additional \$650,000 to the project to close the \$1.3 million financing gap.

Today's requested action includes adoption of a resolution authorizing the Chair to execute all loan documents and a budget adjustment allocating \$352,000 from a payback received from The Reserve affordable housing project and \$298,000 in Affordable Housing General Fund Balance to fund the \$650,000.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Molly Rattigan