



Agenda Date: 11/15/2005
Agenda Placement: 6J

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Shelli Brobst for Randolph F. Snowden - Director
Health & Human Services
REPORT BY: Alice Hughey, Chief Fiscal Officer, 253-4616
SUBJECT: Acceptance of grant from the Napa Valley Wine Auction, dba Auction Napa Valley

RECOMMENDATION

Director of Health and Human Services requests approval of the following actions relating to a grant from the Napa Valley Wine Auction, dba Auction Napa Valley:

1. Acceptance of the grant in the amount of \$250,000 for the term November 1, 2005 through October 31, 2006 for construction expenses related to the South Napa Shelter Project; and
2. Authorization for the Chair and the Director of Health and Human Services to sign the grant agreement.

EXECUTIVE SUMMARY

This action accepts a \$250,000 grant from the Napa Valley Wine Auction dba Auction Napa Valley, which will be used to help defray part of the construction costs of the new South Napa Shelter Project.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	\$250,000 grant from Auction Napa Valley.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This funding will help defray part of the estimated \$5.73 million in construction costs of the new South Napa Shelter Project. Without this funding, other sources of revenue will have to be sought.
Is the general fund affected?	No

Future fiscal impact:	In the current funding cycle, the Auction has granted \$250,000. The intention is to apply to the Auction for second and third funding installments in subsequent funding cycles.
Consequences if not approved:	The grant funding will not be available to the County for the Homeless Shelter project.
Additional Information:	None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: On February 1, 2005 the Board of Supervisors adopted Resolution 05-19 approving a Negative Declaration for the South Napa Homeless Shelter. According to the certified Negative Declaration, the proposed project would have no potentially significant environmental impacts. This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5. The funding being provided by this grant is a component of this project.

BACKGROUND AND DISCUSSION

Construction of the South Napa Shelter is proceeding, with an estimated completion date of March 2006. The Gasser Foundation is developing the shelter and will lease the facility to the County with an option to purchase. The lease will be for 99 years at one dollar per year, and the County will own the improvements if it chooses to exercise the purchase option in the lease. The purchase price will be the cost of improvements only.

As reported to the Board on June 7, 2005, the proposed financing of the approximately \$5.73 million project is:

- | A contribution by the Gasser Foundation of land valued at \$1.3 million and an additional \$500,000 for development costs;
- | \$1,000,000 from the State Emergency Housing and Assistance Program (EHAP);
- | \$900,000 from the County Affordable Housing Fund;
- | \$500,000 from the Housing Authority of the City of Napa;
- | A \$750,000 grant (over three years) from the Auction Napa Valley grant program; and
- | A \$280,000 County Contribution, to be designated by the Board.

The County currently is working with a grant writer to identify additional sources of revenue for the remaining \$500,000.

Should the County exercise its option to purchase the building, the County would have two years to complete purchase payments. If, at the end of that period, the final \$500,000 has not been secured, the Gasser Foundation has agreed to donate half of any shortfall, up to \$250,000. The County will be responsible for the other half of any shortfall.

The County's application to Auction Napa Valley was for \$250,000 per year for three years. In the current funding cycle, the Auction has granted \$250,000. This is in keeping with the Auction's usual practice of only granting funding for one year. The requested action approves the grant agreement and enables the County to

accept this funding. The intention is to apply to the Auction for second and third installments in subsequent funding cycles.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita