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NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Howard Siegel - Director
Community and Intergovernmental Affairs Division
REPORT BY: Nancy Johnson, HOUSING AND COMMUNITY DEV COOR - 707-299-1352
SUBJECT: Resolution amending Reso No 05-49 and approving Amendment No. 1 of Agreement No. 6576 regarding the Loan Conditions for Vineyard Crossings Affordable Housing Project

RECOMMENDATION

Community and Intergovernmental Affairs Director requests adoption of a resolution amending Resolution No. 05-49 and approving Amendment No. 1 to Regulatory Agreement No. 6576 with Mid-Peninsula Housing Coalition for an Affordable Housing Trust Fund loan to assist with the cost of the Vineyard Crossings affordable housing project in American Canyon modifying the terms pertaining to tenant income eligibility restrictions.

EXECUTIVE SUMMARY

In March 2005, your Board authorized a \$1.2 million loan to Mid-Peninsula Housing Coalition to assist in the development of a 145-unit affordable housing development known as Vineyard Crossings in American Canyon. The County imposed a condition of the loan that required a specified number of units be reserved for farm worker families that meet an "extremely low-income" requirement. Mid-Peninsula has had difficulty marketing those particular units. The proposed agreement changes the income restriction for Farm Workers from "Extremely Low-Income" (30% of Annual Median Income or AMI) to allow farm worker households to be able to earn up to 55% AMI, and thus qualify for any of the units at Vineyard Crossings.

FISCAL IMPACT

Is there a Fiscal Impact? No

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

In March of 2005, the Board of Supervisors voted to award \$1.2 million dollars to Mid-Peninsula Housing, a non-profit affordable housing provider, to assist in the development of 145 affordable housing units in American Canyon.

The loan from the County's Affordable Housing Trust Fund was a portion of the anticipated \$38 million estimated to complete the project. This project proposed the highest level of affordability for a project this size in County history. The allocation of units (by affordability categories) are as follows:

Low Income households (earning 51 to 80% median income)-- 86 units
Very Low Income households (31 to 50% median income)-- 28 units
Extremely Low Income households (30% or below)-- 30 units (including 15 for farm worker families)
1 Site Manager unit

Currently, the project is in the rent up stage and Mid-Peninsula is reporting some trouble finding applicants for the "Extremely Low Income Farm Worker" set aside units. In their initial round of advertising, which ran from March to June 2007, they received no applications for housing from qualified farm workers. After that initial round, Mid-Peninsula intensified their efforts and have included the following outreach since June:

- | Delivered the applications to St. Helena Catholic Church and St. John the Baptist Church in Napa.
- | Delivered applications to Puertas Abiertas and explained the program. Frances Ortiz- Chavez, program coordinator, made an announcement regarding the available housing. Ms. Ortiz-Chavez also approached others she knew were in need of housing.
- | Worked with Judith Tiller at California Human Development. CHD manages the farm worker housing at Calistoga Farm Worker Camp, Mondavi Farm Worker Camp, River Ranch, and Farm Worker Camp. Ms. Tiller posted information and referred appropriate parties to Vineyard Crossings. Additionally, Rosalina Cazares from CHD brought applicants to the leasing office in order to assist them with the paperwork.
- | Attended a fair at the college in Napa in September where there were many students who have farm worker parents. (Many of the students who did take applications would not answer any questions about their parents.)
- | Regularly delivered applications to Hispanic stores located at the Vallejo/American Canyon border.
- | Worked with Nora Selina Garcia, Director of Work Connection, a program that coordinates outreach to farm workers based in St. Helena. She has brought in a number of farm workers, many of whom were over the income limits for the property.

These efforts have returned sporadic results. As of November 9, only one farm worker household had been qualified and only two more were in the process of being certified. Mid-Peninsula feels that the reasons for such a poor response are many:

First, they have been met with a great deal of reluctance from people who are afraid of their possible ties to immigration enforcement. When people hear that this is a government-funded program, they often do not trust that there is no connection with immigration officials, and they do not feel comfortable sharing personal data (data required by the certification process).

Second, Mid-Peninsula has found that many of the farm worker households in the area have incomes that

exceed our maximum income levels for the property, let alone the "Extremely Low Income" threshold laid out in the County's regulatory agreement (less than 30% of Area Median Income). Many employees at area wineries are paid relatively well, and their incomes often exceed even 55% of the area median, the maximum income level at Vineyard Crossings. In addition, many farm workers that would otherwise qualify for "Extremely Low Income" housing currently live together with multiple other workers, and their combined incomes exceed the "Extremely Low Income" threshold. When asked whether they would be willing to split up in order to qualify, they are often told that people would rather all live together in (overcrowded) market rate housing and pay a lower per-person rent than split up and live in our nicer units with slightly higher rents.

Third, many farm workers report that the American Canyon location is simply too far away from their workplaces to be a very attractive housing option.

In response to the difficulty in leasing the Extremely Low Income Farm Workers, Mid-Peninsula is proposing to amend the County Regulatory Agreement to change the income restriction from "Extremely Low Income" (30% of median income or less) to allow farm workers to be able to earn up to 55% of County median income (approximately \$41,000) and still qualify for any of the units at Vineyard Crossings.

SUPPORTING DOCUMENTS

A . Resolution

B . Amendment 1 to Agreement 6576

CEO Recommendation: Approve

Reviewed By: Karen Collins