



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/27/2018

Agenda Placement: 10B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Helene Franchi for Minh Tran - County Executive Officer
Housing and Intergovernmental Affairs

REPORT BY: Nancy Johnson, Housing and Community Development Program Manager - 707-299-1352

SUBJECT: Affordable Housing Loans- Napa Courtyards and Stoddard West

RECOMMENDATION

County Executive Officer requests the following related to the Affordable Housing Fund:

1. Receive a report on Napa Courtyards, a 20-unit apartment complex located in the City of Napa; and
2. Receive a report on Stoddard West, a 51-unit affordable apartment complex located in the City of Napa and adoption of a resolution finalizing the loan of \$2,000,000 from the Affordable Housing Fund to Burbank Housing for the Stoddard West development.

EXECUTIVE SUMMARY

Today's item will provide an update on two affordable housing projects, Napa Courtyard and Stoddard West. The requested action includes authorization for the Chair to sign all documents associated with the loan of \$2,000,000 to the Stoddard West project. Both projects are funded by 9% tax credits which is a competitive funding source for Affordable Housing Projects. In simple terms, 9% credits allow for private investors to fund affordable housing projects and in turn receive tax credits to use over a defined number of years.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The Affordable Housing Fund has budgeted funds for this project.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This item is discretionary in that there is no mandate to provide Affordable Housing Funds to these projects. However, funds previously committed are not awarded, the projects will likely lose other funds and not move forward.
Is the general fund affected?	No
Future fiscal impact:	Development will extend into the next fiscal year.
Consequences if not approved:	The project would lose tax credit financing and not proceed.
Additional Information:	The Fund Balance of the Affordable Housing Fund after these loans is approximately \$3 million.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The City of Napa has found that the Project is exempt under the California Environmental Quality Act (CEQA) and no additional environmental review is required for the County's approval of the loan, in that no changes have been made to the development approved by the City; and there is no substantial evidence that any of the conditions listed in the CEQA Guidelines Section 15300.2 exist that would make the exemption inapplicable.

BACKGROUND AND DISCUSSION**Napa Courtyards**

On March 1, 2016, the Board of Supervisors approved a Development and Disposition Agreement for the sale of county owned property at 535 Coombsville Road in the City of Napa for the purpose of affordable housing.

Idaho based Pacific West Communities will construct 20 units of affordable housing that is a mix of 1, 2, and 3 bedroom units. The breakdown is 4- 1 bedroom units, 10-2 bedroom units and 6-3 bedroom units that will house families who make between 30-60% of Area Median Income. Pacific West has also agreed to set aside two units for permanent supportive housing.

On June 21, 2016, the Board of Supervisors took the necessary action to approve a loan of \$1.3 million to Pacific West Communities and transfer the land, valued at \$1,051,000 for the development of the 20 units. The Board also authorized the Chair to sign all related documents on June 21, 2016. Pacific West Communities successfully sought 9% tax credits in the amount of \$4,401,500. All financing on the project is expected to close by early April 2018 and the project will move into the construction phase.

Stoddard West

On June 20, 2017, the Board of Supervisors adopted a resolution reserving \$2 million in funds for the Stoddard West project in the City of Napa. The Board approved the loan of \$2,000,000 in Tobacco Master Settlement funds to

the Affordable Housing Fund to have funds available to loan. Today's action finalizes the loan agreement and authorizes the Chair to sign all related documents to close the County's loan in early April and move the project into the construction phase.

Burbank Housing will construct a 50 unit (plus one manager's unit) project in south Napa that will serve families with incomes between 30-60% of AMI with one unit of permanent supportive housing. The breakdown is 15-1 bedroom units, 20-2 bedroom units and 15-3 bedroom units. The project includes over \$12 million in tax credit equity and \$7 million in local financing. This project has been identified as a priority project by the City of Napa and one of the first projects to receive 9% tax credits in Napa County. The City of Napa is contributing at least \$3 million towards the project plus eight project based vouchers to assist with the overall financing.

The project is part of the Gasser Master Plan. The 2.37 acre site is located north of the South Napa Marketplace along Tulocay Creek and adjacent to the Wine Train railroad tracks. The project is well situated and will benefit from the close proximity of retail and service opportunities including a full scale grocery and pharmacy, the public library, a public park, public transit stop and schools. The physical amenities include a children's tot lot, laundry facilities, outdoor bar-b-que/picnic area, bicycle storage, electric vehicle charging station and a garden area.

The project will consist of a new four-story multi-family residential building with a unit mix of one, two and three bedroom units. With this final approval of funding, staff will have a Regional Housing Needs Allocation (RHNA) transfer agreement with the City of Napa executed transferring a share of the County's investment of units to the City in the next housing element cycle. Currently, the County and the City of Napa already have a RHNA transfer agreement in place for 80% of the County's allocated housing in the next cycle if the Napa Pipe project is developed and is annexed to the City. This is factored into the RHNA transfer agreement.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Molly Rattigan