



Agenda Date: 3/1/2005
Agenda Placement: 6N

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: Affordable Housing Fund Transfers

RECOMMENDATION

County Executive Officer requests approval of Budget Transfer No. 61 required to support Affordable Housing Fund expenditures approved by the Board of Supervisors at their November 30, 2004 meeting, as follows (4/5 vote required):

1. Transfer of \$1,000,000 from the Affordable Housing Fund balance to the Lincoln Avenue Project; and
2. Transfer of \$900,000 from the Affordable Housing Fund balance to the South Napa Homeless Shelter Project.

EXECUTIVE SUMMARY

The County's Affordable Housing Fund was created to provide funding to facilitate the development of affordable housing for various income levels. Funding proposals are typically presented to the Community Affordable Housing Advisory Board (CAHAB), which makes recommendations to the Board of Supervisors and/or the City Councils of three of the County's five municipalities.

In November 2004, your Board received two such recommendations from CAHAB, both of which you approved on November 30th. One was for \$900,000 to help fund the new South Napa Homeless Shelter and the other, for \$1,000,000 for pre-development costs related to a property on Lincoln Avenue, also in the City of Napa.

The Auditor/Controller has requested that obligated funds - as a result of such Board actions - should be set aside from the larger pool of funds in the Affordable Housing Fund. Today's proposed action is to execute a Budget Transfer to accomplish this for these two loans.

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

The nature of the Affordable Housing Fund - and the projects typically funded by its resources - is such that these funds are typically drawn down over a period of 1 to 3 years from the date of encumbrance. The primary reason for this approach is that most of these projects require multiple sources of funding and the County's funds are typically leveraged (by committing them first) to enable other sources of funding to be utilized.

These two particular projects are no exception. The South Napa Homeless Shelter, to be built on the Gasser Foundation property, is expected to be completed in Spring of 2006 and leased or sold to the County. However, in addition to the funding sources already committed by the City of Napa and the State of California, additional sources are being pursued to obtain sufficient funds to cover the entire development cost of the shelter, expected to exceed \$4 million. The particular loan in question has been made to the County's Health and Human Services Agency.

The expenditure of these funds is not anticipated until Fiscal Year 2005-06. This shelter will increase the quantity and quality of service provided to our homeless population in addition to allowing for the construction of a new downtown parking facility on the current Sullivan Shelter site.

The Lincoln Avenue project - not expected to be developed for another 3 to 5 years due to floodplain restrictions - will be located in the City of Napa and will provide over 200 units of affordable housing (in conjunction with adjacent property owned by the City). Approximately \$400,000 (of the \$1 Million approved) has already been utilized to facilitate the acquisition of this property with the bulk of the balance (except up to \$75,000 this fiscal year) to be drawn down in future fiscal years. This loan was made to Napa Valley Community Housing, the local non-profit housing developer who will develop and own the project.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Howard Siegel