



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 8/29/2017

Agenda Placement: 6Y

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Alice Hughey for Minh Tran - Interim 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. CEO001 in the Affordable Housing Fund as follows (4/5 vote required):

1. Increasing appropriations in the Affordable Housing-Projects subdivision by \$3,339,707 to make payments on project loans previously approved by the Board of Supervisors for Turley Flats (\$650,000), Valley View (\$1,349,707), Habitat for Humanity (\$40,000) and Coombsville (\$1,300,000) project commitment;
2. Increasing appropriations in the Health and Human Services Homeless and Housing subdivision by \$250,000 and increasing revenue in a corresponding amount in the Affordable Housing-Projects subdivision to support the coordinated entry system units at the Valley View project; and
3. Increasing appropriations in the Affordable Housing-Worker Proximity subdivision by \$430,729 to issue new down payment assistance loans using funds paid back and equity earned through the program.

EXECUTIVE SUMMARY

Today's requested action appropriates funds previously committed as loans to affordable housing projects and programs. Housing staff worked with the Auditor-Controller's Office to reconcile the fund and allocate funds to the appropriate subdivision for expenditure. Staff will present a full report at the Board of Supervisors meeting on September 12, 2017 on the reconciliation of the fund and seek discussion and direction on housing priorities.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it currently budgeted?	No
What is the revenue source?	Affordable Housing Funds
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This item creates the appropriation for funds previously committed to Affordable Housing projects by the Board of Supervisors.
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 make payments on previous commitments to affordable housing projects.
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

At the Fiscal Year 2017-2018 budget hearings, staff provided the Board of Supervisors with a brief update on the Affordable Housing Fund and committed to return to the Board of Supervisors with a budget adjustment to request the necessary appropriations for projects for which the Board had previously taken action and committed funds. As part of the year end process for Fiscal Year 2016-2017, staff worked with the Auditor-Controller's Office to reconcile the Affordable Housing Project in full and create subdivisions for Affordable Housing Projects and the Worker Proximity program to appropriately set aside funds for expenditure.

Housing projects funded in part by the County's Affordable Housing Fund often take years to get to the construction ready phase. The Board of Supervisors makes commitments and then staff budgets the expenses as projects begin the construction phase. The projects listed below are either in construction or expected to begin construction this fiscal year.

Today's action requests an increase in expenditures to make payments on the following commitments:

- | Valley View: A 70-unit senior and veterans housing project in American Canyon. The Board previously committed \$2.25 million to the project and the project has submitted one loan claim to date. A balance of \$1,349,707 remains on this commitment. Of this amount, \$250,000 will come from the Homeless and Housing subdivision of the Health and Human Services Agency.
- | Turley Flats: An eight-unit project in St. Helena. The Board previously committed \$650,000 to the project. Construction has begun on this project.
- | Habitat for Humanity: A single family home in Napa. The Board previously committed \$40,000 to the project and construction is expected to begin this year.
- | Coombsville Road: The Board previously committed \$1,300,000 to this project. Construction may begin this fiscal year.
- | Worker Proximity Program: Based on funds previously approved by the Board of Supervisors, a balance of \$430,729 is available from loan paybacks and equity earned to be invested in new down payment

assistance loans.

Staff will present a full report on September 12, 2017 on the Fiscal Year 2016-2017 reconciliation of the Affordable Housing Fund and seek discussion and direction on housing priorities.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Carlos Solorio