



Agenda Date: 9/27/2005
Agenda Placement: 6D

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Alice Hughey for Randolph F. Snowden - Director
Health & Human Services
REPORT BY: Alice Hughey, Chief Fiscal Officer, 253-4616
SUBJECT: Authorization to take appropriate actions regarding the purchase of property at 1046 Bella Drive in Napa

RECOMMENDATION

Director of Health and Human Services requests authorization for the County Executive Officer and staff to take any and all appropriate actions and steps, subject to the Board's final approval on October 11, 2005, required to acquire the property located at 1046 Bella Drive, Napa, for the purpose of relocating social rehabilitation services and related programs currently operating within the City of Napa.

EXECUTIVE SUMMARY

Services located at the County's site on Third and Coombs will have to be relocated since the County-City Parking Garage is to be constructed on the site. Thus, County programs currently being provided at 720-730 Randolph Street will have to be housed at another site. The property being acquired, if the Board so authorizes, will be used to house these social rehabilitation and housing programs.

The requested action will enable the County Executive Officer and staff to take all necessary steps to consummate the acquisition by the County of the property located at 1046 Bella Drive, Napa, California, and resolve some outstanding issues. The transaction is conditioned on the final approval by the Board of Supervisors on October 11, 2005, following a required notice of intention to acquire the property.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	There are three cost components of the proposed acquisition:

1. a \$296,00 loan made from the County Affordable Housing Trust Fund to Catholic Charities;
2. the assumption on a non-recourse basis of a State Affordable Housing no-interest loan (HOME) with a balloon payment of \$129,629 due in May 2042;
3. physical improvements to the property and relocation of the programs from their current locations.

Staff is proposing to use the Parking Structure Fund to cover immediate needs.

Is it Mandatory or Discretionary? Discretionary

Discretionary Justification: The affected programs' current site will be demolished to enable the construction of the County-City Parking Garage. The programs will have to be relocated.

The alternatives of buying some other facility or building a new one would have been very expensive to the General Fund. Either of these alternatives would have delayed the construction of the parking garage, and/or disrupted HHSAs' programs being displaced.

Is the general fund affected? Yes

Future fiscal impact: The County may have to cancel the \$296,00 loan made from the County Affordable Housing Trust Fund to Catholic Charities. The County will also have to repay the \$129,629 due on the City of Napa Housing Authority loan in May 2042. Additionally, the County will have to abide by the terms of the Regulatory Agreement with the Housing Authority of the City of Napa relating to the maximum rent charges allowable and the required build-up of operational and capital improvement reserves. Thus, rental income on this property will be less than what the County was receiving for the property on 720-730 Randolph Street.

The County also will continue to contract for program operations at the Bella Drive location. Costs related to the programs are budgeted in HHSAs, and are in part reimbursed by the State (Medi-Cal).

Consequences if not approved: The County will not be able to purchase the Bella Drive property and will have to locate another site for the Progress Foundation programs, at a potentially greater cost to the County.

Additional Information: None

ENVIRONMENTAL IMPACT

Categorical Exemption Class 1: It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental Quality Act. [See Class 1 ("Existing Facilities") which may be found in the guidelines for the implementation of the California Environmental Quality Act at 14 CCR §15301; see also Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B.]

BACKGROUND AND DISCUSSION

The subject property is intended to be used for the relocation of Health and Human Services Agency (HHSA) programs that will be displaced by the planned construction of the parking garage. The requested action provides Board authorization for staff to move forward with the necessary actions and steps to purchase the property located at 1046 Bella Drive, Napa, California, which will be used for the programs described below. The actions and steps include any and all agreements, notices, consents, instruments of conveyance and other documents, including the assumption of the deed of trust and related documents in favor of the Housing Authority of the City of Napa, and the cancellation of the deed of trust and related documents in favor of the County of Napa, necessary and appropriate to consummate the acquisition of the property. Upon approval of the requested action by the Board, the required notice of intention to acquire the property will be published as required by Government Code Sections 25350 and 6063. Staff will return to the Board of Supervisors on October 11, 2005 with the required documents to assume the ownership of the property and request the Board's formal and final approval of the acquisition.

The decision to use the property at the site of 720-730 Randolph Street for a parking garage necessitates moving 6,000 square feet of residential treatment services provided by Progress Foundation. Progress Foundation operates three mental health residential treatment programs (total of 20 beds) in the City of Napa for adult residents of Napa County. Progress Foundation provides this continuum of services under contract with HHSA. The programs are certified by the California State Department of Mental Health and licensed by the State Department of Social Services, Community Care Licensing Division. Each program offers a distinct level of psychiatric residential treatment:

1. Progress Place, located at 720 Randolph Street, is a seven-bed crisis residential treatment program that serves approximately 200 clients each year.
2. Randolph House, located at 730 Randolph Street, is a five-bed transitional residential treatment program that serves approximately 20 clients each year. Progress Foundation also has administrative offices located at the 730 Randolph Street site. Included is a Supportive Living Program with two case managers, which serves 30 clients every year. The case managers provide assistance to individuals and families with psychiatric disabilities to enable them to live independently in the community. Additionally, a homeless outreach caseworker provides outreach services to several hundred clients per year and carries a caseload of ten individuals or families. The Napa clinical director and the program clerk are also located at 730 Randolph Street.
3. Laurel House, located at 3133 Laurel Street, is an eight-bed transitional residential treatment program where clients live up to 18 months. Laurel House serves approximately 15 clients each year.

The 1046 Bella Drive site affords an opportunity to combine and relocate the Randolph House (five-bed) and Laurel House (eight-bed) programs and create in its place a 12-bed transitional level residential treatment program. The combination/relocation of the two programs results in a net loss of one transitional level residential treatment bed.

The Progress Place (seven-bed) program will be relocated to the site vacated by Laurel House at 3133 Laurel Street. Progress Place will be increased from seven beds to eight beds, a net gain of one bed. Once all of the programs are relocated, there will be no loss of residential treatment beds to the Napa County Adult Mental Health System.

The 1046 Bella Drive site currently is owned by Catholic Charities. It originally housed a children's residential treatment facility and was utilized as a transitional housing program for reunited families. This program is closing as a result of low participation and funding problems. Catholic Charities purchased the facility with a combination of a State HOME Program Loan through the City of Napa Housing Authority (\$129,629) and additional funding from the County Affordable Housing Trust Fund secured through a second deed of trust on the property (\$296,000).

Staff considered other options, and determined this acquisition is the most cost-effective one. This acquisition enables the County to move the HHSA programs from the site where the parking garage will be built in a timely manner. It also enables the programs to be relocated without any major disruption in the provision of the essential services. In buying the Bella Drive property, the County will: (1) assume the City of Napa Housing Authority deed of trust in the amount of \$129,629 as consideration for the acquisition, and (2) may have to cancel the second deed of trust (\$296,000) at the time the County acquires the property.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita