

RESOLUTION R2022-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE LOAN DOCUMENTS WITH BURBANK HOUSING DEVELOPMENT CORPORATION FOR A 55-YEAR RESIDUAL RECEIPTS LOAN OF UP TO \$3,000,000, WITH 3% INTEREST, FROM THE CITY OF NAPA AFFORDABLE HOUSING IMPACT FEE FUND FOR THE VALLEY LODGE APARTMENTS PROJECT, WHICH INCLUDES 55 REHABILITATED AND REPURPOSED UNITS OF PERMANENT SUPPORTIVE HOUSING, LOCATED AT 200 SOUTH COOMBS STREET AND DETERMINING THAT THE ACTIONS AUTHORIZED BY THIS RESOLUTION ARE EXEMPT FROM CEQA

WHEREAS, there is a significant need for both affordable housing and permanent supportive housing in Napa; and

WHEREAS, Burbank Housing Development Corporation, plans to develop the Valley Lodge Apartments Project, a 55-unit affordable rental project which would be located on APN 005-171-015 at 200 South Coombs Street (the "Project"); and

WHEREAS, the proposed Project would include 54 rehabilitated and repurposed units as permanent supportive housing for recently homeless residents targeting 30% area median income and below households plus one unrestricted manager's unit; and

WHEREAS, by Resolution R2021-101, the City Council reserved \$3,000,000 from the City's Affordable Housing Impact Fee Fund to assist in the development of the Project; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

2. The City Council hereby determines that action authorized by this Resolution is exempt from CEQA pursuant to CEQA Guidelines Section 15301 (minor alterations to existing structures involving negligible expansion of use) and Section

15303 (conversion of small structures from one use to another where exterior modifications are minimal); and is statutorily exempt under Public Resources Code Section 21080.50, which exempts conversion of motels/hotels to transitional or supportive housing.

3. The City Council hereby authorizes the City Manager to negotiate and execute loan documents with Burbank Housing Development Corporation in the amount of up to \$3,000,000 from the City of Napa Affordable Housing Impact Fee Fund to assist with the development of the Project, subject to approval of the form of loan documents by the City Attorney, which incorporate the following terms and conditions:

- A. The City's contribution shall be structured as a non-recourse three percent (3%) interest, residual receipts loan with a term of 55 years.
 - B. The loan shall be evidenced by a Promissory Note and secured by a Deed of Trust and by a 55-year Regulatory Agreement recorded against the property.
 - C. The Developer shall pay the City a loan origination fee of 1% in the amount of \$30,000.
 - D. All other financing for the Project must be secured prior to disbursement of the loan and construction shall begin no later than July 31, 2022.
4. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 3rd day of May, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
Tiffany Carranza
City Clerk

Approved as to form:

Michael W. Barrett
City Attorney