

RESOLUTION R2018-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NAPA, STATE OF CALIFORNIA, AUTHORIZING THE
EXECUTION OF SUBORDINATION AGREEMENTS FOR
THE REGULATORY AGREEMENTS FOR THE RESERVE
AT NAPA SENIOR HOUSING PROJECT

WHEREAS, in October 2001 Napa Senior Apartments, L.P., a California limited partnership formed by USA Properties, a California corporation, and Napa Valley Community Housing, a nonprofit public benefit corporation, received a loan in the amount of \$874,000 from the City of Napa funded by the State of California Department of Housing and Community Development's HOME program in the amount of \$874,000 (the "HOME Program Loan") for the construction of the Reserve at Napa, a 117-unit affordable senior apartment project located at 710-714 Trancas Street, Napa (the "Project").

WHEREAS, as a condition of the HOME Program Loan, Napa Senior Apartments, L.P. and the City executed a Regulatory Agreement which restricts the rent of 11 of the units in the Project to be affordable to very-low and low-income households for a period of 30 years (the "HOME Regulatory Agreement"); and

WHEREAS, as a condition of the Project's approval, on August 1, 2001, Napa Senior Apartments, L.P. and the City executed the agreement entitled "Regulatory Agreement: Inclusionary Housing Covenants, Conditions, and Restrictions to Insure Affordable Housing" (the "Inclusionary Housing Regulatory Agreement"), which restricts the rent of 12 of the units to be affordable to very-low income households into perpetuity; and

WHEREAS, Napa Senior Apartments, L.P. is refinancing the senior loan for the Project which was financed with bonds issued in 2001 by the Housing Authority of the City of Napa; and

WHEREAS, the proceeds of the new permanent financing will be used to pay off the HOME Program Loan in addition to the senior loan; and

WHEREAS, as a condition of the refinancing, the new lender has requested that the City subordinate the HOME Regulatory Agreement and the Inclusionary Housing Regulatory Agreement to the deed of trust for the new loan; 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.

ATTACHMENT 1

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 Community Development Director is authorized to sign the subordination agreements for the HOME Regulatory Agreement and the Inclusionary Housing Regulatory Agreement attached as Exhibits "A" and "B".

3. 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 19th day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
Dorothy Roberts
City Clerk

Approved as to form:

Michael W. Barrett
City Attorney