

RESOLUTION HR2024-__

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A LOAN AGREEMENT, REGULATORY AGREEMENT AND RELATED DOCUMENTS WITH MAYACAMAS VILLAGE ASSOCIATES (MVA) TO EXTEND THE TERM OF A \$605,000 LOAN PROVIDED TO MVA IN 1992 FOR THE MAYACAMAS VILLAGE PROJECT LOCATED AT 70 CALAVERAS COURT FOR UP TO AN ADDITIONAL 57 YEARS

WHEREAS, on December 9, 1992 the Housing Authority of the City of Napa (hereafter the "Authority") entered into a Disposition and Development Agreement (DDA), Promissory Note and associated Regulatory Agreement with Mayacamas Village Associates, a California limited partnership ("MVA"), for the development of a 51-unit residential project for low-income households located at 70 Calaveras Court in Napa (the "Property"); and

WHEREAS, pursuant to the DDA and related documents, the City sold the Property to MVA and provided MVA a loan for the purchase in the amount of \$605,000 (the "Loan"); and

WHEREAS, in 1994, MVA completed the construction of Mayacamas Village on the Property; and

WHEREAS, the Loan term was originally 30 years and the regulatory agreement recorded against the Property was for a term of 55 years; and

WHEREAS, the 30-year term of the Loan expired on December 9, 2022, and the outstanding balance of the loan as of June 30, 2023 was \$485,767; and

WHEREAS, since spring of 2022, Authority staff has been in conversation with MVA about the Loan maturity and the need to extend the Loan term; and

WHEREAS, MVA is currently pursuing a 4% Low Income Housing Tax Credit ("LIHTC") offering so that it can use the proceeds for much needed capital improvements to Mayacamas Village; and

WHEREAS, the LIHTC opportunity requires that all other soft debt not mature before the term of the LIHTC debt; and

WHEREAS, if the Authority agrees to extend the term of the Loan, it can extend the affordability of the Property for the term of the LIHTC debt, which is anticipated to be at least 55 years; and

WHEREAS, investing capital funds in the Property, through the LIHTC opportunity, allows residents in deed restricted affordable housing to have improved living conditions.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of Napa, as follows:

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

2. The Authority Board hereby authorizes the Executive Director to negotiate and execute a loan agreement, regulatory agreement and related documents with MVA to extend the term of the original \$603,000 loan for up to an additional 57 years on the following terms:

- a. The loan shall accrue simple interest at a rate of 3% starting the date of close on the LIHTC debt;
- b. MVA shall pay the Authority loan monitoring fees of \$100/year per unit with a 3% annual increase each year thereafter;
- c. MVA shall be awarded LIHTC for the rehabilitation of the Project by December 31, 2024, or if not awarded the LIHTC, the loan extension shall only be up to the term of the original regulatory agreement; and
- d. MVA shall pay the Authority a \$5,000 loan amendment fee.

3. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Board of Commissioners of the Housing Authority of the City of Napa at a public meeting of said Housing Authority held on the 19th day of March 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
Tiffany Carranza
Authority Deputy Secretary

Approved as to form:

Michael W. Barrett
Authority General Counsel