

CITY OF NAPA CITY COUNCIL  
**AGENDA REPORT**

CONSENT CALENDAR  
AGENDA ITEM 14.C.  
Date: April 07, 2015

To: Honorable Mayor and Members of City Council

From: Rick Tooker, Community Development Director

Prepared by: Lark Ferrell, Housing Manager

Subject: Affordable Housing for Seniors and Disabled Persons

**ISSUE STATEMENT:**

Adopt a resolution approving the Amended and Restated Developer's Agreement for Folks Landing Apartments and determine that the recommended action is not subject to CEQA.

**DISCUSSION:**

Folks Landing is a 14-unit affordable apartment complex (the "Project"). The Project is currently in escrow to be sold. The Project is governed by a Developer's Agreement and Addendum, which were simultaneously executed in February 1994. The Project is also currently bound by a HOME Regulatory Agreement due to financing received from the State HOME Program. However, the term of the HOME restrictions will soon end when the HOME loan is paid off in escrow. Because the HOME restrictions are more stringent than those in the Developer's Agreement, no one was aware that there is ambiguity between the requirements in the Developer's Agreement and in the Addendum.

Historically the Project has been rented to low-income seniors age 55 and over and low-income disabled households of any age consistent with HOME Program requirements. However, this is inconsistent with the Developer's Agreement, which requires the Project be rented to low- and moderate-income seniors 62 years and older and disabled households of any age. It is also inconsistent with the Addendum, which requires that the Project be rented to disabled seniors 62 and older.

The proposed Amended and Restated Developer's Agreement would restrict the Project to low-income seniors 55 and older or low-income disabled persons of any age consistent with how the Project is currently being operated. Rents would be restricted to no more than the Section 8 payment standards. This would help ensure the Project continues to be a viable housing option for Section 8 tenants. The Amended and Restated Developer's Agreement also would grandfather in any existing tenants who may not be disabled or a senior as an eligible tenant. The buyer of the property has reviewed and approved the proposed Amended and Restated Developer's Agreement.

**FINANCIAL IMPACTS:**

This item has no financial impact.

**CEQA:**

The Community Development Director has determined that the Recommended Action described in this Agenda Report is not subject to California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c).

**DOCUMENTS ATTACHED:**

1. Attachment 1: Resolution Approving the Amended and Restated Developer's Agreement for Folks Landing
2. Attachment 2: Agreement - Folks Landing Amended and Restated Developers Agreement

**NOTIFICATION:**

The prospective buyer and current owner of the property were notified of this item. Also, notice of this item was placed on an agenda at least 72 hours in advance of the meeting.

**RECOMMENDED ACTION:**

Staff recommends that the City Council move, second and approve each of the actions set forth below, in the form of the following motion. Move to:

Adopt a resolution approving the Restated and Amended Developer's Agreement for Folks Landing Apartments.