

RESOLUTION R2019-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, APPROVING A \$650,000 INCREASE TO THE PREVIOUSLY APPROVED \$1,025,000 LOAN TO BURBANK HOUSING DEVELOPMENT CORPORATION FOR THE REDWOOD GROVE PROJECT (2033 REDWOOD ROAD) FOR A TOTAL LOAN FROM THE CITY'S AFFORDABLE HOUSING IMPACT FEE FUND OF \$1,675,000; AUTHORIZING THE ASSOCIATED BUDGET ADJUSTMENT; AND DETERMINING THAT THE ACTIONS AUTHORIZED BY THIS RESOLUTION ARE EXEMPT FROM CEQA

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

WHEREAS, the median home price in Napa is not affordable to households at or below moderate-income; and

WHEREAS, Burbank Housing Development Corporation, a non-profit public benefit corporation (the "Developer") is proposing to develop a 34-unit, attached duet style for-sale development on the property located at 2033 Redwood Road (the "Project"); and

WHEREAS, on November 7, 2017, the City Council adopted Resolution R2017 150, authorizing the City to make a \$1,025,000 loan to the Developer from the City's Affordable Housing Impact Fee Fund for the Project; and

WHEREAS, in connection with the loan, the City and Developer executed an Acquisition and Predevelopment Loan Agreement and a Declaration of Affordability Covenants ("Affordability Covenants"), which requires that all of the homes be sold to persons at moderate-income or below, with 14 units affordable to those at 80% of area median income or below, ten units affordable to those at 100% of median income or below, and ten units affordable to those at 120% of median or below and that the homes remain affordable at such levels for 45 years; and

WHEREAS, the loan is evidenced by a Secured Promissory Note executed by the Developer and is secured by a Deed of Trust, which is recorded against the property along with the Affordability Covenants; and

WHEREAS, increases in construction costs and increases in mortgage interest rates, which decrease the mortgage amounts low and moderate-income homebuyers can afford, have resulted in the Project having a budget gap of \$1,300,000; and

WHEREAS, the County of Napa has approved an increase to its loan for the Project in the amount of \$650,000, for a total loan of \$1,675,000; and

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WHEREAS, the Developer has requested an additional \$650,000 in loan funds from the City for construction costs, for a total loan of \$1,675,000 from the City's Affordable Housing Impact Fee Fund; and

WHEREAS, except for increasing the amount of the loan, the terms of the loan will remain the same as previously approved; and

WHEREAS, the Project would expand the community's supply of housing for households of low, median and moderate-income; and

WHEREAS, the City has determined that the actions authorized by this Resolution are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 which exempts in-fill development projects that are consistent with the General Plan and Zoning Ordinance; that occur within City limits and are on sites no more than five acres in size; that are on sites with no value as habitat for endangered, rare or threatened species; that would not result in any significant effects relating to traffic, noise, air quality, or water quality; and that can be adequately served by existing utilities; and

WHEREAS; City Council has considered all information related to this matter as presented at the public meeting 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 the actions authorized by this Resolution are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 which exempts in-fill development projects that are consistent with the General Plan and Zoning Ordinance; that occur within City limits and are on sites no more than five acres in size; that are on sites with no value as habitat for endangered, rare or threatened species; that would not result in any significant effects relating to traffic, noise, air quality, or water quality; and that can be adequately served by existing utilities.

3. The City Council hereby authorizes a budget adjustment to the Affordable Housing Impact Fee Fund for an additional \$650,000 loan to the Developer (22201-58608) in the FY2018-19 budget.

4. The City Council hereby approves a \$650,000 increase to the previously approved \$1,025,000 loan to the Developer from the City of Napa Affordable Housing

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Impact Fee Fund for the development of the Project for a total loan to the Developer in the amount of up to \$1,675,000, with all other loan terms remaining the same, and delegates authority to the City Manager to execute amendments to the previously executed loan documents.

5. 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 5th day of February, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
Tiffany Carranza
City Clerk

Approved as to form:

Michael W. Barrett
City Attorney