

RESOLUTION R2020-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE LOAN DOCUMENTS WITH HERITAGE HOUSE PARTNERS, LP FOR A 55-YEAR RESIDUAL RECEIPTS LOAN OF UP TO \$2,200,000, WITH 3% INTEREST, FROM THE CITY OF NAPA AFFORDABLE HOUSING IMPACT FEE FUND FOR THE HERITAGE HOUSE APARTMENTS PROJECT, WHICH INCLUDES 66 REHABILITATED AND REPURPOSED UNITS, LOCATED AT 3700 VALLE VERDE DRIVE AND DETERMINING THAT THE POTENTIAL ENVIRONMENTAL EFFECTS OF THE ACTIONS AUTHORIZED BY THIS RESOLUTION WERE ADEQUATELY ANALYZED BY A PREVIOUS CEQA ACTION

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

WHEREAS, Burbank Housing Development Corporation, a non-profit public benefit corporation, and Abode Services, a non-profit public benefit corporation, have formed Heritage House Partners LP, a California limited partnership, to develop the Heritage House Apartments Project, a 66-unit affordable rental project which would be located on APN 038-170-042 at 3700 Valle Verde Drive (the "Project"); and

WHEREAS, the proposed Project would include 66 rehabilitated and repurposed units, including one unrestricted manager's unit and 65 units for very-low income households, including 33 permanent supportive housing units for formerly homeless persons; and

WHEREAS, by Resolution R2019-004, the City Council reserved \$2,200,000 from the City's Affordable Housing Impact Fee Fund budget to assist in the development of the Project; and

WHEREAS, the City of Napa, as the lead agency for the Project, prepared an Environmental Impact Report EIR for the Valle Verde and Heritage House Continuum of Housing Project (SCH #2018082019), which was certified by the City Council on February 4, 2020 ("Certified EIR"). The Certified EIR is on file in the Office of the City Clerk, and is incorporated herein by reference.

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 the potential environmental effects of the Project were adequately examined in the Certified EIR pursuant to CEQA Guidelines Section 15162.

3. The City Council hereby authorizes the City Manager to negotiate and execute loan documents with Heritage House Partners LP in the amount of up to \$2,200,000 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 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. All agreements shall be in a form acceptable to the City Attorney.
 - C. The Developer shall pay the City: (1) a loan origination fee of 1% in the amount of \$22,000 and (2) the cost of a Housing Specialist for a period of up to one year, estimated at \$150,000, if project-based vouchers are utilized for the Project.
 - D. All other financing must be secured prior to disbursement of the loan and construction shall begin no later than February 18, 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 18th day of February, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
Tiffany Carranza
City Clerk

Approved as to form:

Michael W. Barrett
City Attorney