



Staff Reports

File #: 1841-2019, **Version:** 1

To: Honorable Chair and Commissioners
From: Vincent Smith, Community Development Director
Prepared By: Stephanie Gaul, Management Analyst

TITLE:

Assignment of Deed of Trust and Related Loan Documents for Oran Court

RECOMMENDED ACTION:

Adopt a resolution authorizing the Executive Director on behalf of the Housing Authority to execute an Assignment of Deed of Trust and Related Loan Documents with the City of Napa for Oran Court Loan #98-002-CDBG to transfer the loan documents from the Housing Authority to the City.

DISCUSSION:

On March 12, 1999, Napa Valley Community Housing (NVCH) received a \$200,000 housing rehabilitation loan through the City's Community Development Block Grant (CDBG) program to rehabilitate 13 multifamily rental units located at 120-140 Oran Court. A Deed of Trust, Promissory Note, and Regulatory Agreement were executed between the Housing Authority of the City of Napa ("HACN") and NVCH for this loan.

The CDBG loan was scheduled to mature on March 12, 2019. In the process of preparing a loan extension, staff noticed the Deed of Trust and related loan documents were incorrectly entered into by HACN rather than the City. Because the CDBG program is a City program, not an HACN program, all loan documents should be between the City and the borrower. To rectify this error, an Assignment of Deed of Trust and Related Loan Documents (the "Assignment") has been prepared to assign the loan documents from HACN to the City.

Upon executing the Assignment, the City and borrower would execute amendments to the Promissory Note and Regulatory Agreement to extend the term of the loan an additional 20 years, to March 12, 2039. A loan extension was contemplated in the original loan documents, is more consistent with the terms provided under current loans made for other affordable housing projects, and helps preserve affordable housing for the community.

A corresponding item is on the City Council meeting agenda on the same date, May 7, 2019.

FINANCIAL IMPACTS:

There is no financial impact associated with this action.

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:

ATCH 1 - Resolution Approving Assignment of Deed of Trust and Related Loan Documents for Oran Court

EX A - Assignment of Deed of Trust and Related Loan Documents

NOTIFICATION:

NVCH was notified of this agenda item.