



# Napa County

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## Legislation Details (With Text)

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**Title:** Presentation by Burbank Housing regarding Joe Serna, Jr. Farmworker Housing Grant Program (FWHG) funding for Heritage House.

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**TO:** Napa County Housing Commission

**FROM:** Jennifer Palmer, Director of Housing and Homeless Services

**REPORT BY:** Alex Carrasco, Staff Service Analyst II

**SUBJECT:** Burbank Housing Presentation on Joe Serna, Jr. Farmworker Housing Grant (FWHG) Funding for Heritage House

### RECOMMENDATION

Presentation by Burbank Housing regarding Joe Serna, Jr. Farmworker Housing Grant Program (FWHG) funding for Heritage House.

### EXECUTIVE SUMMARY

Burbank Housing, a North Bay nonprofit affordable housing developer, presenting commissioners with background on Joe Serna, Jr. Farmworker Housing Grant Program (FWHG) funding application process for Heritage House, and information on how the units set aside for farmworkers will operate.

### PROCEDURAL REQUIREMENTS

No Action Required

### ENVIRONMENTAL IMPACT

**ENVIRONMENTAL DETERMINATION:** The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

## **BACKGROUND AND DISCUSSION**

Burbank Housing is a North Bay nonprofit dedicated to building quality, professionally-managed and innovative affordable housing that fosters opportunities for people with limited income from all ages, backgrounds and needs. Burbank Housing has spent 41 years building and maintaining high quality rental and homeownership communities including 157 units in Napa County and an additional 145 units in predevelopment (i.e., Heritage House & Valle Verde, Valley Lodge Apartments).

Heritage House is the rehabilitation and conversion of the vacant Sunrise Living facility into 66 units of permanent supportive housing dedicated for homeless and very low-income individuals in the Napa community. The property is located adjacent to the Valle Verde project which is an affordable housing development of 24 units of multi-family apartments designated for low-income families. Residents will be referred to Heritage House through the County's coordinated entry system and be case managed through Abode Services. To ensure the success of every resident at Heritage House, wrap-around services, including mental health, drug and alcohol recovery, and self-sufficiency services, will be provided on a regular basis. Valle Verde will offer affordable units to qualifying households meeting certain income levels and residents will be selected through application and lottery system.

The County of Napa has three sources of funding in the Heritage House & Valle Verde Project. The first two sources were authorized by resolutions on January 29, 2019, reassigned a predevelopment loan in the amount of \$1,317,985 from the Gasser Foundation to Burbank Housing Development Corporation for the development of 66 affordable housing units at Heritage House, and authorizing an application to the No Place Like Home program to ensure that 32 units at Heritage House would be set aside for permanent supportive housing for clients exiting the homeless services system. Since the original Heritage House project was contemplated, Burbank Housing Development Corporation combined the Heritage House project with the adjacent Valle Verde project, to compete for certain 9% Low Income Housing Tax Credits allocated to Napa County projects as a result of the 2017 wildfire disaster. The combination resulted in a total of 88 units of Affordable Housing between the two projects. The third source of funding is \$1,000,000 in One-Time Housing Funds for Whole Person Care Pilot Programs to complete the financing of the project to cover the capital costs of constructing Heritage House & Valle Verde.

The purpose of Joe Serna, Jr. Farmworker Housing Grant Program (FWHG) is to address and remedy the impacts of current and potential of farmworker families from existing labor camps, mobile home parks or other housing (California Health and Safety Code 505 17.5). This program provides financing for housing rental units for agricultural workers, with a priority for lower income households. The FWHG provides deferred payment loans for the construction or rehabilitation of multi-family housing for the agriculture employees and their family, as well as single family new construction or owner-occupied rehabilitation programs.

### **FWHG Definitions:**

-Agricultural worker: an individual who derives or prior to retirement or disability derived a substantial portion of their income from agricultural employment.

-Agricultural household: an agricultural worker or workers and other persons who reside or will reside with an agricultural worker in an assisted unit.

### **FWHG Program Requirements:**

- An eligible project must contain assisted units to be occupied by agricultural households.
- Assisted units are to be occupied by lower-income Agricultural households;
- Any non-assisted units to be occupied by Agricultural households, to the greatest extent possible.
- Assisted units in a rental housing development are required to be made available to lower-income households;
- Assisted units are to be made available at affordable rents as defined in Health and Safety Code Section 50053.

#### FWHG Single Family Homeownership Grant Requirements:

- Assisted units shall newly constructed;
- Made available to lower-income households with a total housing costs not to exceed 35 percent of monthly net income.

#### FWHG Eligible Applicants:

Local government agencies, nonprofit corporations, cooperative housing corporations, limited partnerships where all the general partners are nonprofit mutual or public benefit corporations, and federally recognized Indian tribes.

(Multifamily/Rental) Eligible beneficiaries of the funds are households who derive, or prior to retirement or disability derived, 50% or more of the combined household income from agricultural employment.

(Single Family/Homeowner) Eligible beneficiaries of the funds are households with at least one person who derives, or prior to retirement or disability derived, a substantial portion of his or her income from agricultural employment.

#### Minimum Applicant Experience for Rental Housing Development/Multi-Family:

- Developed and owned at least one similar type and size project within the last five years; and
- Have staff with demonstrated experience managing at least one project occupied primarily by Agricultural households.

#### Minimum Applicant Experience for Single Family:

- Successfully sponsored or supervised a similar program for at least two years within the last 10 years.

#### FWHG Eligible Activities:

Activities incurring costs in the development of homeowner or rental housing for agricultural workers, including land acquisition, site development, construction, rehabilitation, design services, operating and replacement reserves, repayment of predevelopment loans, provision of access for the elderly or disabled, relocation, homeowner counseling, and other reasonable and necessary costs.

#### FWHG Minimum Number of Assisted Units and Affordability Requirements:

- For rental housing development, assisted units shall be reserved for agricultural households in accordance with CCR Section 7209(a);

- At least 10% of the assisted units reserved for incomes no greater than 30% of Area Median Income (AMI) and distributed reasonably among bedroom sizes;
- The remaining 90% for incomes no greater than 80% AMI;
- To achieve deeper affordability and possibly increase the projects per unit loan limit, the applicant may restrict assisted units to household at 60% AMI or lower.

**FWHG Site Criteria (CCR Section 7210):**

- Near a residential area with access to schools, shopping, medical services, social services, and employment;
- Consistent housing element;
- Not in a high concentration of low-income households;
- Development or rehabilitation costs must be reasonable;
- Not in a 100 year floodplain

**FWHG Grant Assistance Limits:**

- Single-family new construction project, the grant amount is limited to \$150,000 per assisted unit; and
- Owner-occupied rehabilitation, the grant amount is limited to \$75,000 per assisted unit.
- Multi-Family rental project maximum amount without tax credit, or using 4% tax credit is \$10 million; and \$5 million for projects using 9% tax credit projects.
- Single-family homeownership maximum amount is \$3 million;
- Owner-occupied rehabilitation amount is \$2 million.

**Assistance Terms for Multifamily Rental:**

New Construction or Rehabilitation Loans: Lien restrictions for assisted units are required for 55 years. Loans may be made in conjunction with low-income tax credit financing. New Construction or Rehabilitation Grants (Forgivable Loans): Lien restrictions for assisted units are required for up to 55 years. Grants (Forgivable Loans) may be made in conjunction with low-income tax credit financing.

**Assistance Terms for Single Family/Owner Occupied:**

Homeowner Grants: For rehabilitation or new home construction, lien restrictions are required for 20 years. If the unit is sold to a non-farmworker buyer before completing the 10th year, the full grant amount must be repaid under most circumstances. Between the 10th and 20th anniversaries, the grant is forgiven at a rate of 10 percent per completed year. The grant is fully forgiven after completing 20 years.