



Napa County

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Legislation Text

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TO: Board of Supervisors

FROM: Jennifer Palmer, Director of Housing and Homeless Services

REPORT BY: Alex Carrasco, Staff Service Analyst

SUBJECT: Department of Housing and Community Development (HCD) and Calistoga Farmworker Center Junior Lienholder Agreement.

RECOMMENDATION

Director of Housing and Homeless Services requests approval of and authorization for the Chair to sign an amendment to the Calistoga Farmworker Center Junior Lienholder Agreement with the Department of Housing and Community Development to extend the term to December 31, 2044.

EXECUTIVE SUMMARY

The Junior Lienholder Agreement relates to a loan that Napa County gave to the Housing Authority to help fund the farmworker centers. The Housing Authority also received Housing and Community Development (HCD) funding via the Joe Serna Grant, which was secured by the properties. HCD required the County to subordinate the lien, to ensure that HCD is paid back first if there is a default and/or foreclosure on the properties. HCD is now requiring an extension to the Regulatory Agreements, which impacts the Junior Lienholder's expectation of return on their loan, and thus an amendment to the Lienholder Agreement is required.

In 2019, HCD awarded the Napa County Housing Authority (NCHA) Joe Serna Grant funding of \$250,000 annually for a term not to exceed ten (10) years. The purpose of the funds is to assist the financing, maintenance, and operation of the three county owned migrant farmworker centers (Centers). In exchange, NCHA agreed to continue to demonstrate the capability to effectively serve the needs of farmworkers in Napa County for twenty-five (25) years from the first year of disbursement.

The Regulatory Agreements were required as a condition of receiving Joe Serna Grant to ensure that the grant money is used for the purposes for which it was received and that the use continued for the life of the grant. The

conditions in the Regulatory Agreements are designed to ensure that the farmworker centers comply with state law and HCD regulations. With the passage of the bill granting additional direct funding to NCHA for operation of the farmworker centers, HCD required NCHA to enter into a standard agreement before it would issue the funds, beyond the first year. That standard agreement required that the conditions in the Regulatory Agreements be extended to December 31, 2044. Without extending the Regulatory Agreements, the State would withhold the \$250,000 of annual funding for the centers.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	No
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	Yes
Consequences if not approved:	Department of Housing and Community Development Serna Program would withhold annual funding.
County Strategic Plan pillar addressed:	Effective and Open Government

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

On September 12, 1989, the Napa County Housing Authority (hereafter "NCHA") was formed pursuant to Health and Safety Code section 34200 et seq.

NCHA is the owner of three migrant farmworker centers (Centers) known as the River Ranch Center, Mondavi Center, and Calistoga Center, for year-round use by migrant or non-migrant farm labor employees.

The Centers are encumbered under the Joe Serna Junior Farmworker Grant Program ("Serna Program"). As required by the Serna Program, NCHA and the California Department of Housing and Community Development (HCD) entered into the Serna Standard Agreements, and Amendments thereto, regarding the Centers and providing the terms and conditions of the Serna Program. Also, as required by the Serna Program Statutes and Regulations, and in addition to the Serna Standard Agreements, NCHA executed other documents and instruments for each of the Centers including but not limited to a promissory note, a deed of trust, and a Regulatory Agreement (the "Serna Regulatory Agreement"). The purpose of the Regulatory Agreement is to regulate and restrict the acquisition and development, and subsequent occupancy, rents, operation, ownership and management of the Centers in compliance with the requirements of the Serna Program.

In 2019, NCHA was awarded \$250,000 annually for a term not to exceed ten (10) years per Standard Agreement 19-NCFH-12871, pursuant to Health and Safety Code Sections 50406 and 50711.5. The purpose of the funds is to assist the financing, maintenance, and operation of the Centers. In exchange, NCHA will continue to demonstrate the capability to effectively serve the needs of farmworkers in Napa County for twenty-five (25) years from the first year of disbursement.

Today's action will amend the Calistoga Farmworker Center Junior Lienholder Agreement with the HCD to coincide with extension of the Regulatory Agreements through December 31, 2044.