

RESOLUTION NO. 2025-_____

**RESOLUTION OF THE BOARD OF SUPERVISORS OF NAPA COUNTY,
STATE OF CALIFORNIA, APPROVING A LOAN TO 963 POPE STREET,
LLC, IN THE AMOUNT OF \$200,000, TO ASSIST IN THE DEVELOPMENT
OF FIVE AFFORDABLE HOUSING UNITS LOCATED IN THE CITY OF
ST. HELENA**

WHEREAS, Napa County receives funds under its Affordable Housing and Incentives Ordinance (County Code Chapter 18.107) and implementing resolutions to further the development of affordable housing; and

WHEREAS, Napa Valley Community Housing, a California nonprofit public benefit corporation, and Our Town St Helena, a California nonprofit public benefit corporation, have entered into a Memorandum of Understanding and related Options to Purchase Agreement with the intent to partner on the development of five units of affordable housing to be located on a parcel of real property in Napa County, located at 963 Pope Street in St. Helena (Project); and

WHEREAS, 963 Pope Street, LLC is a limited liability company and is the developer of the Project; and

WHEREAS, Napa Valley Community Housing acts as its managing member; and

WHEREAS the City of St. Helena approved a loan of up to \$1,000,000 from the City's Housing Trust Fund and Measure E (Affordable Housing) Fund on August 8, 2023 for development of the Project; and

WHEREAS, the California Department of Housing and Community Development (HCD) approved a loan of \$1,011,976 for development of the Project; and

WHEREAS the five-unit development will provide affordable housing to low- and moderate- income individuals and families in two-bedroom units with rent restrictions for 4 low-income units and 1 moderate-income unit; and

WHEREAS Napa Valley Community Housing submitted a request to the County for permanent construction financing for the development of these affordable housing units prior to the HCD funding commitment deadline April, 2024; and

WHEREAS, Napa County previously reserved funding of Two Hundred Thousand Dollars (\$200,000) from the Napa County Affordable Housing Fund to enable for development of the Project; and

WHEREAS, all discretionary entitlements for the Project have been received from the City of St. Helena; and

WHEREAS, the County's financial contribution to the project is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.10, which states that CEQA does not apply to actions taken by a local agency not acting as the lead agency to provide financial assistance for the development and construction of residential housing for persons and families of low or moderate income if the project will be reviewed under CEQA by any other public agency. The City of St. Helena has determined that the project is exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15194, which exempts affordable housing projects that meet certain criteria, Section 15301, which exempts the demolition and removal of small structures, Section 15303, which exempts the construction of small structures, including multi-family residential structures of four units or less. The City further determined that the project is not subject to any of the exceptions to the use of a categorical exemption as outlined in CEQA Guidelines Section 15300.2.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Napa that the Board hereby approves a loan to the Developer in the total amount of Two Hundred Thousand Dollars (\$200,000), subject to the following terms and conditions:

1. The County's contribution shall carry simple interest of 3 percent annually, unless there is a condition of default, upon which the interest shall then be 8 percent compounded annually or the maximum legal rate, whichever is less. There is a \$6,000 loan origination and monitoring set up fee to be paid to the County prior to disbursement of the loan.
2. The loan shall be made available for the construction and subsequent permanent financing of the Project.
3. There is an annual monitoring compliance fee of \$119 per unit with a 3% escalation per year starting in the first calendar year after issuance of a notice of completion for the Project. The first annual compliance monitoring fee will be due on January 1, 2026 and the first two years of the annual compliance monitoring fee may be withheld by the County from the disbursement.
4. Annual payments are to be made in an amount equal to the County's loan prorata percentage of the lenders' share of residual receipts, as those terms are defined in the Loan Agreement, and the loan is to be repaid in full 55 years from the date of the last certificate of occupancy or the equivalent for the project.
5. The loan shall be evidenced by a Promissory Note and secured by a Deed of Trust and Regulatory Agreement recorded against the Property with a term of 55 years, ensuring that at least four units will be affordable to low income households and one unit will be affordable to moderate income households. All agreements shall be in a form acceptable to County Counsel.

BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Napa hereby authorizes the Chair to execute all necessary loan documents to effect the loan and regulatory requirements as approved by County Counsel and further authorize the Chair to sign all necessary related loan transaction documents as required for ongoing future maintenance and monitoring responsibilities as approved by County Counsel.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Board of Supervisors of Napa County, State of California, at a regular meeting of the Board held on the ____th day of _____, 2025, by the following vote:

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

ABSTAIN: SUPERVISORS _____

ABSENT: SUPERVISORS _____

NAPA COUNTY, a political subdivision of the State of California

By: _____,
ANNE COTTRELL, Chair of the Board of Supervisors

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: S. Darbinian</p> <p>Date: January 16, 2025</p>	<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</p> <p>Date:</p> <p>Processed By:</p> <p>_____</p> <p>Deputy Clerk of the Board</p>	<p>ATTEST: NEHA HOSKINS Clerk of the Board of Supervisors</p> <p>By: _____</p>
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