



Legislation Text

File #: 23-1942, **Version:** 1

TO: Board of Supervisors

FROM: Ryan J. Alsop, County Executive Officer

REPORT BY: Jennifer Palmer, Director of Housing & Homeless Services

SUBJECT: Reservation of Affordable Housing Funds for 41-unit Permanent Supportive Housing Project

RECOMMENDATION

Director of Housing & Homeless Services requests the Board of Supervisors adopt a Resolution reserving \$1,550,000 from the Affordable Housing Fund to assist Jamboree Housing Corporation with the development of 41 permanent supportive housing units.

EXECUTIVE SUMMARY

Jamboree Housing Corporation (JHC), LLC, has secured site control of one (1) parcel located at 515 Silverado Trail in the City of Napa, comprised of approximately 1.05 acres for the purposes of building forty (40) permanent supportive housing units (PSH) and one (1) manager's unit. The initial financing plan for the project assumes the majority of funding will come from both 4% Tax Credits and California Department of Housing and Community Development ("HCD") Super NOFA. The City of Napa approved a loan to JHC in January 2023 in the amount of \$2,000,000. JHC has submitted a request to the County for \$1,550,000 in permanent construction financing prior to submission of the HCD Super NOFA application due in April 2024.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
Where is it budgeted?	If approved, it will be budgeted in Fund 2080.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	There is no mandate to reserve Affordable Housing funds for an specific project
Is the general fund affected?	No
Future fiscal impact:	If approved, staff will return with a budget adjustment at the time when all project sources are confirmed and loans need to close.

Consequences if not approved: JHC may not be competitive in the HCD Super NOFA in April 2024.

County Strategic Plan pillar addressed: Healthy, Safe, and Welcoming Place to Live, Work, and Visit

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

Napa County receives funds under its Affordable Housing and Incentives Ordinance (County Code Chapter 18.107) and implements resolutions to further the development of affordable housing throughout Napa County.

Jamboree Housing Corporation, LLC, a California limited liability company, has secured site control of one (1) parcel of real property in Napa County, located at 515 Silverado Trail, comprising approximately 1.05 acres and designated by Assessor's Parcel Number 046-050-001, through a Purchase and Sale Agreement (PSA) with the property owner, as of January 6, 2023. The proposed development consists of three one-story buildings with forty (40) one-bedroom units measuring approximately 550 square feet and one (1) three-bedroom manager's unit. The development will provide permanent supportive housing and services to very-low and extremely-low-income individuals exiting homelessness, with units set aside for placement via the Coordinated Entry System (CES) for households earning between 20% and 50% Area Median Income.

The proposed site plan has a landscaped setback with an entry plaza to accommodate streetside plantings of trees, in alignment with the rest of the South Silverado Trail Subarea. Landscaping within the entry plaza will create a scenic character to blend in with and enhance the surrounding wooded area along Silverado Trail. The property will be surface parked with parking located in the rear half of the site.

Affordable housing projects rely on early local funding commitments to show loan support for developments and successfully compete when applying for state and federal affordable housing funding. In addition, large projects incur significant expenses related to feasibility and pre-development design work over the course of project inception through to the start of construction represent a significant cost for developers to carry, making early funding commitments vital to long-term project success.

The financing plan for the JHC project assumes a majority of permanent funding will come from both 4% Tax Credits and the California Department of Housing and Community Development ("HCD") Super NOFA. JHC applied to the City of Napa in January 2023 requesting \$2,000,000 in permanent construction financing for the project. The City approved the requested loan. JHC is now requesting an additional \$1,550,000 funding commitment from the Napa County in advance of the HCD Super NOFA application in April 2024 to demonstrate strong local project support.

The anticipated permanent funding sources for the project are (subject to change):

Permanent Loan:	\$0	(	\$0 per unit)
Tax Credit Investor Proceeds:	\$21,997,800		(\$536,532 per unit)

Providence Health:	\$ 1,000,000 (\$ 24,390 per unit)
HCD Multifamily Housing Program (MHP):	\$ 9,280,000 (\$226,341 per unit)
City of Napa:	\$ 2,000,000 (\$ 48,780 per unit)
County of Napa:	\$ 1,550,000 (\$ 37,805 per unit)
Total Permanent Sources:	\$35,827,800 (\$873,849 per unit)

The Director of Housing & Homeless Services requests the Board of Supervisors adopt a Resolution reserving \$1,550,000 from the Affordable Housing Fund to assist Jamboree Housing Corporation with the development of 40 permanent supportive housing units and one manager's unit, pending submittal of a complete application confirming all necessary permanent sources withing to years of the date of this action.