



Legislation Text

File #: 23-0670, **Version:** 1

TO: Board of Supervisors
FROM: David Morrison, Interim County Executive Officer
REPORT BY: Jennifer Palmer, Director of Housing & Homeless Services
SUBJECT: Affordable Accessory Dwelling Unit Forgivable Loan Program Documents

RECOMMENDATION

Director of Housing & Homeless Services requests review of form loan and covenant documents developed for the Affordable Accessory Dwelling Unit Forgivable Loan Program and adoption of a Resolution authorizing the County Executive Officer or designee to sign the loan documents in substantial compliance with the form documents, as approved by County Counsel.

EXECUTIVE SUMMARY

On November 29, 2022, the Board of Supervisors approved the underwriting guidelines for the Napa County Affordable Accessory Dwelling Unit (AADU) Forgivable Loan Program. Today's action requests review of the new form documents which will be used for each of the future individual AADU Loans, and the adoption of a resolution authorizing the County Executive Officer or designee to sign all transaction documents related to the AADU Loan program.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	No
Is it currently budgeted?	Yes
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	There is no mandate to establish an AADU Loan Program, or designate signing authority to the CEO or designee.
Is the general fund affected?	Yes
Future fiscal impact:	None
Consequences if not approved:	Designating signing authority will alleviate the need to coordinate signatures for time-sensitive loan funding between program staff and the Chair of the Board, improving efficiency and effectiveness of program administration for staff and
County Strategic Plan pillar addressed:	Livable Economy for All

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 November 29, 2022, the Board approved the underwriting guidelines for the Napa County AADU Forgivable Loan Program. The program provides forgivable construction loans for the development of ADUs in exchange for commitments to rent the ADU at rates affordable to households earning up to 80% Area Median Income (AMI) for a period of not less than five years or 60 months. Today's action requests review of the new form documents which will be used for future individual AADU Loans, and adoption of a resolution authorizing the County Executive Officer or designee to sign all transaction documents related to the AADU Loan program, as approved by County Counsel's Office and in substantial compliance with the form documents. The form transaction documents are a Loan Agreement, the Deed of Trust, the Promissory Note, and the Regulatory Agreement.