

RESOLUTION NO.

**RESOLUTION OF THE BOARD OF SUPERVISORS OF NAPA COUNTY,
STATE OF CALIFORNIA AUTHORIZING AMENDMENT OF THE LOAN
DOCUMENTS WITH OUR TOWN ST. HELENA WAIVING THE
APPLICATION FEE AND LOAN MODIFICATION FEE AND ALLOWING
FUNDS FROM THE PREDEVELOPMENT LOAN TO STAY WITH THE
PROJECT, REMOVING THE OBLIGATION OF THE DEVELOPER
REGARDING THE REVISED LOAN BALANCE, AND TERMINATING
THE LOAN BALANCE PROMISSORY NOTE**

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, on March 16, 2016, Our Town St. Helena, a nonprofit public benefit corporation (“Developer”), submitted an application requesting \$280,000 in predevelopment funding for an affordable housing project located at 684 McCorkle Avenue in St. Helena (the “Project”) and

WHEREAS, the Project assisted eight families of low and very low income to build and own their own home; and

WHEREAS, the Project utilized a “sweat equity” model of construction which requires a significant commitment on behalf of future homeowners; and

WHEREAS, by Resolution 2016-44, the Board of Supervisors approved a predevelopment loan subject to certain terms and conditions specified in said Resolution; and

WHEREAS, due to favorable interest rates on the individual mortgages from USDA, the applicants needed less assistance than anticipate, and once construction of the units was complete and financing had been provided to the eligible purchasers, the final accounting from the Developer showed that only Fifty-Nine Thousand Eight Hundred Fifty Dollars (\$59,850) of the original loan did not roll over to the eligible purchasers; and

WHEREAS, while these funds were spent on the construction of the units and the units could have supported this debt, it was decided at the time of closing the financing for the eligible purchasers, not to include this remaining amount in the debt being assumed by the purchasers; and

WHEREAS, by Resolution 2019-17, the Board of Supervisors approved certain modifications to the Predevelopment Loan so that a portion of the Predevelopment Loan not used to reduce homeowner mortgages would remain an outstanding obligation of the Developer to aid in offsetting additional costs with the Project to be satisfied with the development of an additional affordable housing project on a second property (the “Phase II Property”); and

WHEREAS, the Phase II Property project was ultimately abandoned due to rising construction, interest and land costs and Developer is requesting that any portion of the predevelopment loan not used to reduce the mortgages of the homeowners to be kept in the Project and not returned to the County.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Napa County

hereby authorizes amendment to the Loan Agreement to:

1. Acknowledge use of the original loan, that such funds could have been part of the debt assumed by the eligible home purchasers but were not included, and, therefore the Board considers such funds to have been used toward the Project.
2. Remove any obligation of the Developer regarding the revised loan balance and terminate the loan balance promissory note.

BE IT FURTHER RESOLVED that the Board of Supervisors of Napa County hereby authorizes the Chair to sign all necessary related loan transaction documents as required 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 3rd day of December, 2024, by the following vote:

AYES: SUPERVISORS _____
NOES: SUPERVISORS _____
ABSTAIN: SUPERVISORS _____
ABSENT: SUPERVISORS _____

JOELLE GALLAGHER, Chair of the
Board of Supervisors

APPROVED AS TO FORM Office of County Counsel By: <u>S. Darbinian</u> Deputy County Counsel Date: <u>November 5, 2024</u>	APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS Date: _____ Processed By: _____ Deputy Clerk of the Board	ATTEST: NEHA HOSKINS Clerk of the Board of Supervisors By: _____
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