

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Lynn Goldberg, Planning and Building Director
DATE: July 19, 2016
SUBJECT: Housing Authority Services Agreement

APPROVAL FOR FORWARDING:



Dylan Feik, City Manager

1 **ISSUE:** Consideration of authorizing a two-year agreement with the Housing Authority
2 of the City of Napa to provide affordable housing services to the City

3 **RECOMMENDATION:** Adopt a resolution authorizing the agreement.

4 **BACKGROUND:** The City of Calistoga currently receives affordable housing
5 assistance and services through a contract with the Housing Authority of the City of
6 Napa (HACN). HACN's annual report is attached and provides details on services
7 provided to the City and community during the last fiscal year.

8 **PROPOSED AGREEMENT:** The City's arrangement with the Housing Authority is
9 proposed to be extended by two years.

10 The proposed services are similar to those currently performed and include:

- 11 • Monitoring the 77 existing deed-restricted affordable housing units in Calistoga
12 to insure compliance with the terms of their various agreements, payment of
13 annual monitoring fees and the submission of required reports to the State
- 14 • Verifying applicant qualifications and preparing loan documents for the City's
15 Down Payment Assistance Program
- 16 • Assisting with subordination requests for existing deed-restricted units and
17 monitoring potential foreclosure actions on these units
- 18 • Applying for state and federal housing assistance funding through, such as the
19 HOME and CDBG programs
- 20 • Administering the Section 8 rental assistance program for lower-income
21 households
- 22 • Advising the City on affordable-housing related issues

23 Please refer to Exhibit A to the proposed agreement for further details on these
24 services. The cost associated with HACN's services for the two-year period covered by
25 the agreement would be a maximum of \$62,192.

26 **DISCUSSION:** The services provided by HACN are critical for the City to fulfill the
27 goals and actions outlined in the Housing Element of the General Plan regarding
28 affordable housing. City staff does not have the expertise for the tasks performed by the
29 Housing Authority, and the City of Napa staff has performed them well over many years.

30 Among its duties during the next two fiscal years, HACN will continue implementing the
31 low-income, owner-occupied HOME housing rehabilitation program. (Its administrative
32 costs are paid for by the HOME grant.) HACN would also have primary responsibility for
33 implementing a similar program if the City's CDBG housing rehabilitation application is
34 approved.

35 **CONSISTENCY WITH CITY COUNCIL GOALS & OBJECTIVES:** Execution of the
36 proposed agreement with HACN would fulfill the following goals and objectives adopted
37 by the Council for FY 16-17:

38 *Goal 7: Address the community's housing needs.*

39 Objectives

- 40 1. *Maintain the existing housing stock in good condition.*
41 2. *Expand housing opportunities, including workforce housing.*
42 3. *Protect and promote special needs housing for such groups as seniors, the*
43 *disabled and farmworkers.*

44 **FISCAL IMPACT:** The first year of the contractual amount is included in the City's FY
45 16-17 budget (Account No. 39-4615-4402). It should be noted that an annual monitoring
46 fee is collected by the City for each restricted affordable housing project for
47 reimbursement of such services. Fund 39 revenues are also generated through loan
48 repayments from various housing projects, therefore there should be adequate funding
49 to cover the second year of the agreement.

ATTACHMENTS

1. Draft Resolution with proposed agreement
2. Housing Authority of the City of Napa Annual Report for FY 15-16