

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

September 23, 2009

REVISED

**CONSIDERATION OF A MODIFICATION TO CDLAC RESOLUTION #09-18 FOR
FINNELL PLACE AND WASHINGTON GARDENS APARTMENTS PROJECT**

(Agenda Item No. 5)

ACTION:

Approve a modification to resolution #09-18 reducing the number of low-income rental units from 35 units to 24 units.

BACKGROUND:

On March 25, 2009, the Committee awarded \$5,961,000 in Qualified Residential Rental Program (QRRP) allocation to the California Municipal Finance Authority for Finnell Place and Washington Gardens Apartments. This scattered site project, consisting of two parcels, is located in a 2008 HUD-designated Difficult Development Area (DDA) within the Town of Yountville (Napa Valley). The project originally proposed providing 24 units (plus 1 manager's unit) at 1911 Finnell Place and 11 units at 6478 Washington Street. However, the seller of the Washington Street parcel has since decided to pull out of the purchase contract. In response, the project sponsor Napa Valley Community Housing has hired a litigator to force the seller to perform, but their efforts have been unsuccessful to date.

The Applicant is requesting a modification to the resolution that would omit the Washington Street units from the proposed unit count and allow the project sponsor to move forward with the development of the Finnell Place Apartments project. If the pending litigation is successful, Washington Street Apartments will be developed as a separate affordable housing project at a later time. Approval of this modification is required to preserve the project's DDA status and current CDLAC allocation.

Napa Valley Community Housing has provided several letters of support for the Finnell Place Apartments from the Department of Housing and Community Development, Town of Yountville, the equity investor and the County of Napa. All of whom are providing financial support to the project.

RECOMMENDATIONS:

Staff recommends the approval of a modification to resolution 09-18 Finnell Place Apartments reducing the number of low-income units from 35 units to 24 units.

Prepared by Crystal Alvarez.