

**RHNA TRANSFER AGREEMENT FOR THE
TURLEY FLATS PROJECT**

November

This RHNA Transfer Agreement (the "Agreement") is made and entered into as of May 1, 2017 by and between the County of Napa, a political subdivision of the state of California (the "County") and the City of St. Helena, a municipal corporation (the "City").

WHEREAS, the City and the County share a mutual commitment to encourage land use policies that preserve agricultural uses and that focus new development in urbanized areas; and

WHEREAS, the City and the County also share a mutual commitment to cooperate toward pooling available resources in order to meet the housing needs of the County, including those regional housing needs identified by the California Department of Housing and Community Development ("HCD") and the Association of Bay Area Governments ("ABAG"); and

WHEREAS, pursuant to housing element law (Government Code Sections 65580 et seq.), ABAG periodically prepares a Regional Housing Needs Allocation ("RHNA"), which specifies the existing and projected need for housing in each city and county in the San Francisco Bay Area, including Napa County and all cities in Napa County; and

WHEREAS, pursuant to Government Code Section 65588, the housing element of each city and county must be periodically revised, and prior to each required housing element revision, ABAG must adopt a revised RHNA, which is utilized by the County and the City in revising their housing elements; and

WHEREAS, the next required revision to the housing elements of the City and the County is designated as the "sixth" required revision by Government Code Section 65588 and will be due in approximately 2023; and

WHEREAS, City and County each award City affordable housing funds and County housing fund monies, respectively, for the development of affordable housing in Napa County as a whole; and

WHEREAS, a proposed affordable housing project located in the City of St. Helena and known as the "Turley Flats" project (the "Project"), as described in Exhibit "A" attached to this Agreement, is to be developed by Calistoga Affordable Housing, Inc., a California non-profit corporation (the "Developer"); and

WHEREAS, the Developer of the Project has submitted an application to the County for a loan from the County's Affordable Housing Fund (the "Housing Fund") to assist in the development of such housing; and

WHEREAS, subject to the terms of this Agreement, the City supports the Project's application for an award of monies from the Housing Fund, and is also awarding City affordable housing funds toward the development of the Project; and

WHEREAS, the County by Resolution No. 2017-60 adopted April 4, 2017 has awarded Six Hundred Fifty Thousand Dollars (\$650,000) to the Project from the County's Housing Fund, and the City on January 31, 2017 awarded Seven Hundred Thousand Dollars (\$700,000) to the Project from its affordable housing fund, which results in a proportionate award of Forty-Eight Percent (48%) of public funding from the County and Fifty-Two Percent (52%) of public funding from the City; and

WHEREAS, the Project proposes a total of eight (8) affordable housing units (the "Affordable Units"), all of which will benefit from funds contributed by the City and the County; and

WHEREAS, to promote the City's and County's mutual commitment to focusing new development in urbanized areas, the County requires that, as a condition of funding those projects located in the incorporated municipalities within the County of Napa, the City must agree to increase its share of the regional housing needs pursuant to Government Code Section 65584.07 (or successor provision) in the next RHNA cycle to be adopted by ABAG, so that the County's share of the RHNA shall be reduced.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL CONSIDERATION SET FORTH HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. Transfer of a Portion of the County's RHNA. The City hereby agrees to increase its share of the RHNA adopted for the sixth required revision of the housing element by Two (2) dwelling units so that the RHNA of the County shall be reduced by Two (2) dwelling units. If the County and the City form a subregion pursuant to Government Code Section 65584.03 or any successor statute to determine the RHNA of the County and the City, then the RHNA prepared by the subregion shall initially be made without reference to this Agreement, and following initial adoption of the RHNA by the subregion, the City's share of the RHNA shall be increased by Two (2) dwelling units, and the County's share of the RHNA shall be reduced by Two (2) dwelling units. The Two (2) dwelling units to be allocated in accordance with this Agreement shall be apportioned among very low income, low income, moderate income, and above moderate income housing, pursuant to Government Code Section 65584.07(a).

2. Award of Housing Fund Monies. The County has agreed to award Six Hundred Fifty Thousand Dollars (\$650,000) from its housing trust fund to the Project (the "Loan") and has accordingly adopted Resolution No. 2017-60 awarding the Loan to the Developer on the condition that the City and the County enter into this Agreement. The City's obligation to increase its share of the RHNA as set forth in this Agreement is subject to the conditions precedent of: (a) the County's funding of the Loan to the Developer, and (b) upon the Developer obtaining building permits for the construction of the Affordable Units for the Project. If, for any reason, the Developer defaults on the Loan, or the County is forced for other reasons to recall the Loan, the City's obligation to increase its share of RHNA units and to comply with the provisions of this Agreement shall continue.

3. Compliance with Government Code Section 65584.07. The increase in the City's share of the RHNA and the reduction in the County's share of the RHNA as provided herein is made pursuant to Government Code Section 65584.07 and any successor statute relating to transfer of a jurisdiction's RHNA, and the parties agree that the County's RHNA shall be reduced, and the City's RHNA shall be increased, in the manner required by these statutes. Accordingly, the City and the County shall take all steps necessary to comply with Government Code Section 65584.07 to implement this Agreement, including but not limited to, providing the appropriate documentation to ABAG and to HCD or any other agency if required. The parties agree to work together to obtain ABAG approval of the RHNA transfer included in this Agreement. The City further agrees that it will utilize the revised RHNA that includes the transfer of the dwelling units covered under this Agreement from the County to the City in preparing the sixth revision to its housing element as required by Government Code Section 65888. As soon as ABAG approves the reduction in the County's share of the RHNA and the increase in the City's share of the RHNA, the parties shall use the revised RHNA in preparing the sixth revision to their housing elements and shall adopt the sixth revisions in compliance with all laws.
4. Annual Report. In preparing the annual report required by Government Code Section 65400, the City shall report the assistance provided by the Housing Fund when reporting on the Project.
5. Warranty of Legal Authority. Each party warrants and covenants that it has the present legal authority to enter into this Agreement and to perform the acts required of it hereunder. If any party is found to lack the authority to perform the acts required of it hereunder or is prevented from performing the acts by a court of competent jurisdiction, this Agreement shall be null and void.
6. Assignment/Delegation. Neither party hereto shall assign, or transfer any benefit or obligations of this Agreement without the prior written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.
7. Severability. In the event any provision of this Agreement is held to be invalid or unenforceable, the valid or enforceable portion thereof and the remaining provisions of this Agreement will remain in full force and effect.
8. Waiver. Any waiver (express or implied) by either party of any breach of this Agreement shall not constitute a waiver of any other or subsequent breach.
9. Counterparts. This Agreement may be executed in any number of counterparts which together shall constitute the contract of the parties.
10. Notices. Whenever notice is to be given, it shall be in writing and delivered by personal, overnight express or courier service, with a written receipt, or sent by registered or certified mail in a sealed envelope, postage prepaid, return receipt requested and addressed as follows:

City of St. Helena

City Manager
City of St. Helena
1480 Main Street
St. Helena, CA 94574

With copy to:

City Attorney
City of St. Helena
1480 Main Street
St. Helena, CA 94574

County of Napa:

Napa County Executive Officer
County of Napa
1195 Third Street, Suite 310
Napa, CA 94559

With copy to:

Deputy County Executive Officer
County of Napa
1195 Third Street, Suite 310
Napa, CA 94559

Napa County Counsel
County of Napa
1195 Third Street, Suite 301
Napa, CA 94559

Changes may be made in addresses to where notices are to be delivered by giving notice pursuant to this provision.

11. Entire Agreement. This document is intended both as the final expression of the agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. This Agreement may be executed in counterparts, each of which shall constitute an original.

12. Amendment. This Agreement may only be amended in writing by an amendment authorized by the City Council and the County Board of Supervisors.

13. Recitals Adopted. The parties hereby agree to, and adopt, the Agreement recitals as portions of the Agreement.

IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

<p>ATTEST: By: <u>Gladys I. Coil</u> Gladys I. Coil, Clerk of the Board of Supervisors Date: <u>11/1/2017</u></p>	<p>COUNTY OF NAPA By: <u>Belia Ramos</u> Belia Ramos Chair, Napa County Board of Supervisors Date: <u>11/1/2017</u></p>
<p>APPROVED AS TO FORM: County Counsel By: <u>Silva Darbinian</u> Silva Darbinian, Deputy County Counsel Date: <u>11/1/2017</u></p>	
<p>ATTEST: By: <u>Cindy Tzafopoulos</u> Cindy Black, City Clerk Tzafopoulos Date: <u>12/20/17</u></p>	<p>CITY OF ST. HELENA By: <u>Mark T. Prestwich</u> Mark T. Prestwich Title: <u>City Manager</u> Date: <u>12/20/17</u></p>
<p>APPROVED AS TO FORM: By: <u>Thomas B. Brown</u> Thomas B. Brown, City Attorney Date: <u>12/20/17</u></p>	

Attachment A

The Turley Flats Project will consist of 8 units in the City of St. Helena. The project will target individuals and families earning 80% of the area median income for Napa County.

Below is a description of the property:

Site Address	1105 Pope Street, St. Helena	AP Number	009-090-003
Ownership Status	Calistoga Affordable Housing, Inc.	Census tract¹	2016.01
Parcel Size	9,525 sq. ft.	Zoning/GP	1) Zoning: MR

¹ Found at <http://www.ffiec.gov/Geocode/default.aspx> or <https://www.cdfifund.gov/myCDFI/index.asp>