

RESOLUTION NO. ____-2023

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL
APPROVING AND AUTHORIZING THE EXECUTION OF AN AFFORDABLE
HOUSING LOAN AGREEMENT WITH FORT BRAGG SOUTH STREET LP
FOR THE PLATEAU PROJECT (APN 018-340-04; 018-340-06)**

WHEREAS, the State of California (the “State”), Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability (“NOFA”) dated 06/07/2021 under the Permanent Local Housing Allocation (PLHA) Program Competitive Component; and

WHEREAS, on September 13, 2021, the City Council adopted Resolution No.4441-2021 authorizing the application for PHLA Program Non-Entitlement Local Government Competitive Component to support the development of an affordable housing project referred to as the Plateau, located at 431, 435 South Street and 500, 520 Kemppe Way (the “Project”);

WHEREAS, Fort Bragg South Street LP, a California limited partnership (“Developer”), was created to develop the Project, for which Danco Communities serves as a co-administrative general partner; and

WHEREAS, on August 30, 2022, the City was awarded \$2,400,000 in PHLA program funds and entered Agreement Number 21-PHLACOM-17075; and

WHEREAS, loan documents have been drafted and approved as to form by special counsel of the City, Fort Bragg South Street LP, and the State; and

WHEREAS, based on all the evidence presented, the City Council finds as follows:

1. With the submission of the PHLA Application, the Developer agreed to use the PLHA funds for eligible activities as set forth in Section 401 of the Guidelines and as awarded and approved by the Department in accordance with all Program requirements, Guidelines, other rules, and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the City and the Department; and
2. PLHA assistance will be in the form of a low-interest, deferred loan to the Developer of the Project and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement, which shall restrict occupancy and rents in accordance with the Department-approved underwriting of the Project for a term of at least 55 years.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fort Bragg, as follows:

Section 1. The City Council hereby approves the Loan Agreement, in substantially the form attached hereto as Exhibit A and incorporated herein by reference, subject to any minor, technical and non-substantive changes approved by the City Manager and the City’s legal counsel, and hereby authorizes the City Manager to execute the Loan Agreement and any other documents necessary to effectuate the terms of the Loan Agreement.

The above and foregoing Resolution was introduced by Councilmember _____, seconded by Councilmember _____, and passed and adopted at a regular meeting of the Fort Bragg City Council held on the 24th day of July 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

BERNIE NORVELL
Mayor

ATTEST:

Cristal Munoz, Acting City Clerk

Exhibit A

AFFORDABLE HOUSING LOAN AGREEMENT
(to be inserted)