

**RESOLUTION NO. \_\_\_\_-2016**

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING A FORGIVABLE LOAN AGREEMENT WITH MENDOCINO FOOD & NUTRITION, INC. TO USE PROGRAM INCOME FUNDS AVAILABLE FROM COMMUNITY DEVELOPMENT BLOCK GRANT #14-CDBG-9881 FOR THE FOOD BANK SOLAR PROJECT AND AUTHORIZING CITY MANAGER TO EXECUTE SAME (AMOUNT NOT TO EXCEED: \$75,000; ACCOUNT NO. 315-5030-0630)**

**WHEREAS**, the City of Fort Bragg was awarded funds from the 2014 State of California Department of Housing and Community Development, State Community Development Block Grant (CDBG) Community Development Allocation to fund various activities; and

**WHEREAS**, the City of Fort Bragg held a Design Phase Public Hearing on September 30, 2014, to provide information about the Community Development Block Grant (CDBG) program and to solicit input from the community as to suggestions about possible uses of grant funds and Program Income; and

**WHEREAS**, on January 26, 2015, City Council adopted Resolution 3773-2015 to approve the addition of three Supplemental Activities to the 2014 CDBG grant #14-CDBG-9881, including the Food Bank Solar Project; and

**WHEREAS**, Mendocino Food & Nutrition, Inc., is an experienced CDBG operator that provides food and other services to the City's neediest residents at its Food Bank facility located at 910 North Franklin Street, which meets the CDBG Program's National Objective of benefitting low and moderate income persons; and

**WHEREAS**, CDBG funding will allow Mendocino Food & Nutrition, Inc. to install a rooftop solar system to reduce energy costs; and

**WHEREAS**, execution of a Loan Agreement with Mendocino Food & Nutrition, Inc. enables the City to comply with the City's 2014 CDBG Standard Agreement #14-CDBG-9881 and Community Development Activity General Conditions for Public Facility activities, to ensure that Mendocino Food & Nutrition, Inc. complies with State and Federal overlay requirements and covenants and restrictions related to use of the Food Bank facility after it is improved with CDBG funds; and

**WHEREAS**, the Loan Agreement (attached as Exhibit A) imposes covenants and restrictions on Mendocino Food & Nutrition, Inc. to include for a period of five years, among other terms, a prohibition against transfer of the Food Bank property; requirement for general maintenance of the property; a requirement for adequate and ongoing property insurance coverage; required payment of any property taxes that may become due; and requirement that improvement activities are to be planned and implemented in cooperation and compliance with, and under the supervision of, the City; and

**WHEREAS**, the City will not be allowed to use the CDBG funding to implement the project until all General Conditions for the Public Facility Activity are completed, submitted to CDBG, and cleared by CDBG; and

**WHEREAS**, other General Conditions requiring certification include environmental compliance, and the Food Bank Solar Project has been determined to be exempt from CEQA per Section 15301(e); and Categorically Excluded from the National Environmental Policy Act (NEPA) Subject to Part 58.5(a)(3)(iii); and

**WHEREAS**, adequate funding is available from CDBG #14-CDBG-9881 and Program Income on hand to implement the Food Bank Solar Project; and

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

1. Mendocino Food & Nutrition, Inc. provides necessary and important services in the City of Fort Bragg at the Food Bank located at 910 North Franklin Street for the benefit of Fort Bragg’s neediest citizens.
2. There is adequate funding provided in 2014 CDBG #14-CDBG-9881, including Program Income, to fund the Food Bank Solar Project including direct project costs as well as administrative costs.
3. The Loan Agreement and related documents contain covenants and restrictions that comply with CDBG General Conditions related to the Public Facility Activity.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Fort Bragg does hereby Approve a Forgivable Loan Agreement with Mendocino Food & Nutrition, Inc. to Use Program Income Funds from Community Development Block Grant #14-CDBG-9881 for the Food Bank Solar Project and Authorizes City Manager to Execute Same (Amount Not to Exceed: \$75,000; Account No. 315-5030-0630).

**The above and foregoing Resolution was introduced by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 23<sup>rd</sup> day of May, 2016, by the following vote:**

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**

\_\_\_\_\_  
**DAVE TURNER,**  
**Mayor**

**ATTEST:**

\_\_\_\_\_  
**June Lemos**  
**City Clerk**