RESOLUTION NO. 3787-2015

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING A FORGIVABLE LOAN AGREEMENT WITH MENDOCINO COAST HOSPITALITY CENTER TO USE FUNDS FROM COMMUNITY DEVELOPMENT BLOCK GRANT #12-CDBG-8388 FOR THE HOSPITALITY HOUSE IMPROVEMENTS PROJECT AND AUTHORIZING CITY MANAGER TO EXECUTE SAME (AMOUNT NTE: \$41,000; ACCOUNT NO. 302-5027-0630)

WHEREAS, the City of Fort Bragg was awarded funds from the 2012 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 12, 2015, City Council adopted Resolution 3769-2015 to approve the addition of six Supplemental Activities to the 2012 CDBG grant #12-CDBG-8388, including the Hospitality House Improvements Project; and

WHEREAS, Mendocino Coast Hospitality Center is an experienced CDBG operator that provides emergency shelter to homeless persons at its Hospitality House facility located at 251 North McPherson Street, which meets the CDBG Program's National Objective of benefitting low and moderate income persons, as activities that benefit homeless persons are presumed to benefit low and moderate income persons; and

WHEREAS, CDBG funding will allow Mendocino Coast Hospitality Center to construct building improvements at Hospitality House including installation of a roof top solar system to reduce energy costs and replacement of interior flooring to improve and preserve facility integrity; and

WHEREAS, execution of a Loan Agreement with Mendocino Coast Hospitality Center enables the City to comply with the City's 2012 CDBG Standard Agreement #12-CDBG-8338 and Community Development Activity General Conditions for Public Facility activities, to ensure that Mendocino Coast Hospitality Center complies with State and Federal overlay requirements and covenants and restrictions related to use of the Hospitality House facility after it is rehabilitated with CDBG funds; and

WHEREAS, the Loan Agreement imposes covenants and restrictions on Mendocino Coast Hospitality Center to include for a period of five years, among other terms, a prohibition against transfer of the Hospitality House property; requirement for general maintenance of the property; a requirement for adequate and on-going property insurance coverage; required payment of any property taxes that may become due; and requirement that rehabilitation activities are to be planned and implemented in cooperation and compliance with, and under the supervision of, the City; and

WHEREAS, CDBG funding will not be released and made available to the City to implement the rehabilitation activity 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 Hospitality House Improvements 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 #12-CDBG-8388, Program Income on hand, and Program Income projected to be received before July 1, 2015, to implement the Hospitality House Improvements Project as well as other 2012 Supplemental Activities; and

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

- Mendocino Coast Hospitality Center provides necessary and important services in the City of Fort Bragg at the Hospitality House Emergency Shelter located at 251 North McPherson Street for the benefit of homeless persons.
- There is adequate funding provided in 2012 CDBG #12-CDBG-8388, including Program Income, to fund the rehabilitation activity, 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 Coast Hospitality Center to Use Funds from Community Development Block Grant #12-CDBG-8388 for the Hospitality House Improvements Project and Authorizes City Manager to Execute Same (Amount NTE: \$41,000; Account No. 302-5027-0630).

The above and foregoing Resolution was introduced by Councilmember Deitz, seconded by Councilmember Cimolino, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 13th day of April, 2015, by the following vote:

AYES:

Councilmembers Cimolino, Deitz, and Hammerstrom.

NOES:

None.

ABSENT:

Councilmember Peters.

ABSTAIN:

Mayor Turner.

ØOUG∕HAMMERSTROM,

Acting Mayor

ATTEST:

<u>Cynthia M Unilleime</u> Cynthia M. VanWormer, MMC

City Clerk