

RESOLUTION NO. ____-2018

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING A FORGIVABLE LOAN AGREEMENT WITH BUILDING BETTER NEIGHBORHOODS, INC. TO USE PROGRAM INCOME FUNDS AVAILABLE FROM COMMUNITY DEVELOPMENT BLOCK GRANT #16-CDBG-11140 FOR THE HOUSING REHABILITATION PROJECT AT THE GLASS BEACH APARTMENTS AND AUTHORIZING CITY MANAGER TO EXECUTE SAME (AMOUNT NOT TO EXCEED: \$75,000; ACCOUNT NO. 331-5052-0630)

WHEREAS, the City of Fort Bragg was awarded funds from the 2016 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 Public Hearing on July 11, 2016, 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 July 11, 2016, City Council adopted Resolution 3917-2016 to approve three Supplemental Activities for the 2016 CDBG grant #16-CDBG-11140, including the Housing Rehabilitation Project at Glass Beach Apartments; and

WHEREAS, Building Better neighborhoods, Inc., is an experienced CDBG operator that provides multi-unit residential housing to the City's very low to moderate income residents located at even-numbered addresses at 900 to 928 John Cimolino Way, which meets the CDBG Program's National Objective of benefitting low and moderate income families; and

WHEREAS, CDBG funding will allow Building Better Neighborhoods, Inc. to improve exterior lighting and energy conservation; and

WHEREAS, execution of a Loan Agreement with Building Better Neighborhoods, Inc. enables the City to comply with the City's 2016 CDBG Standard Agreement #16-CDBG-11140 and Community Development Activity General Conditions for Multi-Unit Residential Rehabilitation activities, to ensure that Building Better Neighborhoods, Inc. complies with State and Federal overlay requirements and covenants and restrictions related to use of the Glass Beach Apartments after it is improved with CDBG funds; and

WHEREAS, the Loan Agreement (attached as Exhibit A) imposes covenants and restrictions on Building Better Neighborhoods, Inc. to include for a period of five years, among other terms, a prohibition against transfer of the Glass Beach Apartment 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 Multi-Unit Residential Rehabilitation Activity are completed, submitted to CDBG, and cleared by CDBG; and

WHEREAS, other General Conditions requiring certification include environmental compliance, and the Housing Rehabilitation Project at the Glass Beach Apartments 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 #16-CDBG-11140 and Program Income on hand to implement the Housing Rehabilitation Project at the Glass Beach Apartments; and

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

1. Building Better Neighborhoods, Inc. provides necessary and important housing in the City of Fort Bragg at the Glass Beach Apartments located at even-numbered addresses at 900 to 928 John Cimolino Way, for the benefit of very low to moderate income families.
2. There is adequate funding provided in 2016 CDBG #16-CDBG-11140, including Program Income, to fund the Housing Rehabilitation Project at the Glass Beach Apartments 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 Multi-Unit Residential Rehabilitation Activity.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby Approve a Forgivable Loan Agreement with Building Better Homes, Inc. to Use Program Income Funds from Community Development Block Grant #16-CDBG-11140 for the Housing Rehabilitation Project at the Glass Beach Apartments 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 9th day of April, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

Lindy Peters,
Mayor

ATTEST:

June Lemos, CMC
City Clerk