

RESOLUTION NO. 51-22

**A RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND APPROVING
THE ACQUISITION OF THE RICHMOND HOUSING AUTHORITY
ADMINISTRATION BUILDING AND AUTHORIZING EXECUTION OF THE U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD-REQUIRED
DISPOSITION DOCUMENTS**

WHEREAS, the Richmond Housing Authority (“RHA”), is the owner of that certain property located at 360 South 27th Street, Richmond, California (the “**Administration Building**”); and

WHEREAS, in addition to the administration of its core public housing programs, RHA is working to continue the repositioning of RHA assets; and

WHEREAS, on June 30, 2020, by Resolution 2122, the RHA governing board approved the submittal of a Section 18 Disposition Application to the U.S. Department of Housing and Urban Development (HUD) proposing the sale of the Administration Building to the City for One Dollar and no cents (\$1.00); and

WHEREAS, since 2009, the City Employment and Training Department has used the Administration Building to administer the RichmondBUILD program; and

WHEREAS, by letter dated March 3, 2021, HUD approved the conveyance of the Administration Building to the City provided that, for a minimum of 30 years, the building would continue to be used to provide supportive services primarily to low-income community residents; and

WHEREAS, the Administration Building is currently encumbered by a Declaration of Trust in favor of HUD, and HUD must execute, and RHA must record, a Release of Declaration of Trust prior to the transfer of the Administration Building; and

WHEREAS, HUD’s approval for the transfer of the Administration Building is conditioned upon the requirement that the property will be operated to provide services primarily for the benefit of low-income community residents for a minimum of thirty (30) years, and that such restriction will be evidenced by a Use Agreement (Exhibit A) recorded in the Official Records of Contra Costa County (“**Use Agreement**”); and

WHEREAS, the City Council has determined that it is in the best interests of the City to acquire the Administration Building and to execute and deliver the Use Agreement and any additional instruments that HUD requires to complete the disposition.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE RICHMOND CITY COUNCIL, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, THAT: the acquisition of the Administration Building from the Richmond Housing Authority for the sum of One Dollar and no cents (\$1.00) is hereby approved.

BE IT FURTHER RESOLVED THAT, the form and substance of the Use Agreement is hereby approved.

RESOLVED FURTHER, that the City Manager is hereby authorized and directed to execute and deliver the Use Agreement and any additional instruments that HUD may require in connection with the conveyance of the Administration Building to the City.

RESOLVED FURTHER, that the City Manager is hereby authorized and directed to take all such other actions and to execute, acknowledge, deliver, and record such other instruments, including without limitation, a certificate of acceptance to be attached to the grant deed conveying the Administration Building to the City, as the City Manager may deem necessary or appropriate in order to carry out and perform the purposes and intent of the foregoing resolutions.

RESOLVED FURTHER, that the actions taken by the City Manager in connection with the acquisition of the Administration Building and the execution and delivery of documents required by HUD in connection therewith, are hereby ratified, confirmed and approved.

I certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond at a regular meeting thereof held April 19, 2022, by the following vote:

AYES: Councilmembers Bates, Jimenez, Johnson III, McLaughlin, Willis, Vice Mayor Martinez, and Mayor Butt.
NOES: None.
ABSTENTIONS: None.
ABSENT: None.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

THOMAS K. BUTT
Mayor

Approved as to form:

DAVE ALESHIRE
Interim City Attorney



State of California }
County of Contra Costa } : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 51-22**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on April 19, 2022.

Pamela Christian
Pamela Christian, Clerk of the City of Richmond

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

Richmond Housing Authority
Attn: Nannette Beacham
330 24th Street
Richmond, CA 94804

NO FEE REQUIRED
PER GOVERNMENT CODE SECTION 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

**USE AGREEMENT
(ADMINISTRATION BUILDING)**

This Use Agreement (this “**Agreement**”) dated as of _____, 2022, is by and among the U.S. Department of Housing and Urban Development (“**HUD**”), with an address of 1 Sansome Street, 12th Floor, San Francisco, California, 94104, the Richmond Housing Authority, a public body corporate and politic organized under the laws of the State of California (“**PHA**”), with an address of 330 24TH Street, Richmond, CA 94804, and the City of Richmond, a municipal corporation and charter city (“**Owner**”), with an address of 450 Civic Center Plaza, Richmond, CA 94804.

RECITALS

WHEREAS, PHA owned and operated one (1) non-dwelling building (the “**Building**”) and (0.52) acres of underlying land located at 360 South 27th Street in the City of Richmond, California, known as Contra Costa County Assessor’s Parcel No. 549-051-002-10, more particularly described in that certain Declaration of Trust recorded in the official records of Contra Costa County on September 1, 2020 as Document No. 2020-0188984 (the “**Declaration of Trust**”), and as further described in Exhibit A, attached hereto and incorporated herein (the “**Disposition Property**”);

WHEREAS, PHA owned and operated the Disposition Property as an administration building with financial assistance provided by HUD under the U.S. Housing Act of 1937, as amended, 42 U.S.C. 1437 et. seq. (the “**Act**”);

WHEREAS, construction and/or operation of the Disposition Property was financed in part by HUD;

WHEREAS, pursuant to a lease executed by and between PHA and Owner, Owner has operated the Disposition Property for the purpose of administering RichmondBUILD, an environmental workforce and job training program;

WHEREAS, PHA requested HUD approval of the conveyance of the Disposition Property and HUD has, as documented in the letter from HUD to PHA dated March 3, 2021, as thereafter amended (collectively the “**Approval Letter**”), attached hereto as Exhibit B and incorporated herein, agreed to such sale on the terms and conditions set forth in the Approval Letter and this Agreement (collectively, the “**HUD Disposition Approval**”);

WHEREAS, HUD has approved the conveyance of the Disposition Property to Owner for the purchase price of One Dollar (\$1.00); and

WHEREAS, HUD has conditioned its approval for the transfer of the Disposition Property as set forth in the HUD Disposition Approval, including the condition that the Building shall be operated primarily to serve households earning no more than eighty percent (80%) of Area Median Income with community supportive services such as employment training for a minimum of thirty (30) years from the date this Agreement is recorded in the official records of the county where the Disposition Property is located (the “**Restricted Period**”).

AGREEMENT

NOW THEREFORE, in consideration of the promises and covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Use Requirement. Owner, for itself and for its successors and assigns, hereby covenants and agrees for the benefit of PHA and HUD that the Building shall be used primarily to serve households earning no more than eighty percent (80%) of Area Median Income with community supportive services such as employment training (the “**Use Requirement**”) for the duration of the Restricted Period.

2. Exceptions to the Use Requirement. The following events shall not constitute a breach of the Use Requirement:

A. Vacancies. If any part of the Building is left vacant for a commercially reasonable period (i) while one permitted agency or other user of the Building is moving out and before another has moved in to the Building, (ii) while waiting for a new qualifying agency or other user of the Building in the event there are none immediately available to move in after the previous qualifying agency or other user vacates, or (iii) while the Building is being renovated and/or repaired.

B. Casualties. If the Building is damaged or destroyed by fire or other casualty and the use of the Building in conformance with the Use Requirement ceases during a period of repairs and/or reconstruction; provided that (i) PHA is timely notified of the casualty; (ii) Owner uses commercially reasonable efforts to cause the Building to be repaired or restored to substantially the same condition as existed prior to the event causing damage or destruction, (iii) the Building is actually repaired or restored within two (2) years after the date of the casualty, or such longer period as may be approved by HUD in writing, such approval not to be unreasonably

withheld, conditioned or delayed, and (iv) the Building is thereafter operated in accordance with the Use Requirement for the remainder of the Restricted Period.

C. Takings. If the Building is taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a “**Taking**”), or if any other portion of the Disposition Property has been subject to a Taking; provided that (i) PHA is timely notified of the Taking; (ii) Owner applies funds received as a result of the Taking to the acquisition and development of a replacement building that will be operated in accordance with the Use Requirement, (iii) the new building is acquired or developed within two (2) years after the date of the Taking, or such longer period as may be approved by HUD in writing, such approval not to be unreasonably withheld, conditioned or delayed, and (iv) the new building is thereafter operated in accordance with the Use Requirement for the remainder of the Restricted Period.

3. Events of Default. In the event the Use Requirement ceases to be satisfied prior to the expiration of the Restricted Period:

A. Notices of Violation. PHA shall give to Owner written notice of the failure (a “**Notice of Violation**”). Owner shall have thirty (30) calendar days after the date on which a Notice of Violation is received in accordance with Section 8 below to cure the failure; provided that, if such Owner uses commercially reasonable efforts to cure the failure within the prescribed thirty (30) day period and is unable to do so, HUD may approve in writing an extension of an additional thirty (30) calendar days to cure the failure, such approval not to be unreasonably withheld, conditioned or delayed.

B. Events of Default. PHA is hereby authorized, and shall take whatever investigative steps it deems necessary to ensure compliance. If, after receiving a Notice of Violation, the failure is not corrected to the satisfaction of PHA within the prescribed amount of time, PHA may declare a default under this Section 3 (an “**Event of Default**”) without further notice.

C. Remedies. In an Event of Default by Owner, to the extent permitted by applicable law, PHA shall have the right to seek specific performance of the Use Requirement and/or to enjoin any violation of the Use Requirement in a court of competent jurisdiction. The right to specific performance and injunction shall be in addition to all other remedies available under statute, at law or in equity.

D. Recapture of Federal Funds. In the event that the Building ceases to be used in accordance with the Use Requirement prior to the expiration of the Restricted Period, any federal funds applied to the Building shall, subject to the limitations set forth in the Disposition Agreement, be eligible for recapture from and/or repayment by PHA to HUD and shall be treated as federalized assets subject to all federal requirements (the “**Repayment Obligation**”).

E. Intentionally omitted.

4. Actions Requiring the Prior Written Approval of HUD and PHA. Owner shall not convey, assign, transfer, sublease, pledge, hypothecate, encumber or otherwise dispose of the Disposition Property or any interest therein or permit the conveyance, assignment, transfer, sublease, pledge or encumbrance of the Disposition Property during the Restricted Period without the prior, jointly-executed, written approval of HUD and PHA. Notwithstanding the foregoing, Owner need not obtain the prior written approval of HUD and PHA for (i) the conveyance or dedication of land for use as streets, alleys or other public rights-of-way, (ii) the granting of easements for the establishment, operation and maintenance of public utilities, and/or (iii) entering into residential agreements with tenant families.

5. Third Party Beneficiaries. HUD shall have the same enforcement remedies available to PHA under Section 3 of this Agreement, in addition to all other remedies available to HUD under statute, at law or in equity. No person or entity, other than the parties to this Agreement, has any rights or remedies under this Agreement.

6. Termination of Use Requirement. Upon the expiration of the Restricted Period, the Use Requirement shall cease and terminate, and the Disposition Property shall be deemed released of the Use Requirement and this Agreement without the requirement of any further writing between the parties herein. Notwithstanding the foregoing, upon expiration of the Restricted Period, PHA and HUD agree to execute and deliver to Owner such documents as Owner shall reasonably request releasing and confirming the release of the Use Requirement and this Agreement from title to the Disposition Property and clearing title to the Disposition Property from any cloud created by the Use Requirement or this Agreement.

7. Successors and Assigns. Recordation of this Agreement shall constitute the agreement by PHA and Owner to be bound by and to comply with the restrictions set forth in this Agreement. The benefits and burdens of this Agreement touch and concern and run with the land and are binding upon and shall inure to the benefit of the respective successors and assigns of the parties to this Agreement. Wherever the term "Owner" is used herein such term shall be construed to include any successor owner to title to the Disposition Property (each, a "**Successor Owner**"). Notwithstanding the foregoing, no party other than PHA shall exercise the rights and privileges reserved herein to PHA, or bear the obligations imposed herein on PHA, unless such party shall receive and record in the official records of the county where the Disposition Property is located a written assignment of all or a portion of such rights, privileges and obligations. Notwithstanding the foregoing, in no event shall the beneficiary of any deed of trust encumbering the Disposition Property or any other purchaser at foreclosure (the "**Holder**") have any liability for sums which are due and payable under this Agreement prior to such Holder's acquisition of title to the Disposition Property. This Agreement shall extend to and be binding upon the Holder only in the event that the Holder acquires ownership of the Disposition Property.

8. Notices. All notices under this Agreement shall be in writing and shall be served by (a) personal service or receipted courier service, (b) by registered or certified first class mail, return receipt requested, or (c) nationally-recognized overnight delivery service, addressed to HUD, PHA or Owner, as appropriate, at the addresses for such parties set forth in the initial paragraph or third recital of this Agreement. Any notice or other communication sent pursuant to clause (a) hereof shall be deemed received upon such personal service, if sent pursuant to clause

(b) shall be deemed received five (5) business days following deposit in the mail, and/or if sent pursuant to clause (c) shall be deemed received the next succeeding business day following deposit with such nationally recognized overnight delivery service. Any party may change its address by notice given in accordance with this Section 8.

9. Business Day. A business day is any calendar day other than a Saturday, Sunday or a holiday generally observed by banking institutions in the State of California. In the event the last day permitted for the performance of any act required or permitted under this Agreement falls on a day other than a business day, the time for such performance will be extended to the next succeeding business day. Each time period under this Agreement shall exclude the first day and include the last day of such time period.

10. Amendments. This Agreement may be amended only by a written instrument signed by the parties to this Agreement. Notwithstanding the foregoing, the parties may not amend, modify, rescind, revoke and/or terminate this Agreement without the prior written approval of HUD.

11. Subordination. Any mortgage liens shall be subject and subordinate to this Agreement. This Agreement shall survive foreclosure and bankruptcy.

12. Fair Housing and Civil Rights Requirements. With regard to the Disposition Property, Owner shall comply with all applicable fair housing and civil rights requirements including the obligations to affirmatively further fair housing and adhere to the site selection and neighborhood standards set forth in 24 CFR §§ 1.4(b)(3) and 941.202, as applicable.

13. Federal Accessibility Requirements. With regard to the Disposition Property, Owner shall comply with all applicable federal accessibility requirements under the Fair Housing Act and the implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and the implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act and the implementing regulations at 28 CFR Parts 35 and 36, respectively.

14. Impairment of HAP Contract. The terms and provisions of this Agreement shall continue in full force and effect except as expressly stated herein. Any conflicts between this Agreement and any HAP Contract shall be resolved by HUD, at its sole and absolute discretion.

15. Execution of Other Agreements. PHA and Owner each covenant and agree that it has not and shall not execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any conflicting requirements.

16. Subsequent Statutory Amendments. If revisions to the provisions of this Agreement are necessitated by subsequent statutory amendments, PHA and Owner each agree to execute modifications to this Agreement as necessary to conform to the statutory amendments. In the alternative, at HUD's sole and absolute discretion, HUD may implement any such statutory amendment through rulemaking.

17. Reimbursement of Attorney Fees. Owner shall reimburse PHA for all attorneys' fees and expenses reasonably incurred by PHA in connection with the enforcement of PHA's rights under this Agreement, including, but not limited to, all such fees and expenses for trial, appellate proceedings, out-of-court workouts, mediation and settlements, and for enforcement of rights under any state or federal statute, including, but not limited to, all such fees and costs relating to any bankruptcy and/or insolvency proceedings of any Successor Owner, such as in connection with seeking relief from stay in a bankruptcy proceeding or negotiating and documenting any amendment or modification of this Agreement.

18. Incorporation of Recitals. The above recitals are incorporated herein by reference.

19. Governing Law. This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of California, and the laws of the United States of America.

20. No Negotiation. This Agreement is not subject to negotiation by PHA, Owner or any lender with a secured interest in the Disposition Property.

21. Severability. The invalidity or unenforceability of any clause, part or provision of this Agreement shall not affect the validity or enforceability of the remaining portions thereof.

22. Counterpart Signatures. This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose.

23. Attached Exhibits. The following Exhibits are attached to this Agreement and incorporated herein:

Exhibit A – Legal Description of the Disposition Property

Exhibit B – Approval Letter

[This space intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have caused their names to be subscribed hereto, on the first date herein above written.

PHA and Owner each hereby certify that the statements and representations contained in this instrument and all supporting documentation are true, accurate, and complete and that each signatory has read and understands the terms of this Agreement. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD, and may be relied upon by HUD as a true statement of facts contained therein.

PHA:

Richmond Housing Authority,
a public body corporate and politic

By: _____
Nannette J. Beacham,
Executive Director

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____)

On _____, **20**__, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

Print Name: _____

My commission expires:

OWNER:

City of Richmond, a municipal corporation
and charter city

By: _____
Print Name: _____
Its: _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____)

On _____, **20**__, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

Print Name: _____

My commission expires:

HUD:

U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

By: _____
Gerard Windt
Its: Director and Authorized Agent
San Francisco Office of Public
Housing

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO)

On _____, **20**__, before me, _____, Notary Public, personally appeared **Gerard Windt**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

Print Name: _____

My commission expires:

SIGNATURES MUST BE NOTARIZED

Warning:

Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in any matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

EXHIBIT A

DISPOSITION PROPERTY

Address: 360 South 27th Street, Richmond, California

HUD Project No.: CA010999999

HUD AMP No.: CA010999999

Real property in the City of Richmond, County of Contra Costa, State of California, described as follows:

Lots 16, 17, 18, 19, 20, 21, 22, 28 and 29 in Block No. 1 as shown on that certain map entitled "Boorman's B Addition to Pullman", filed December 9, 1910, in Book 3 of Maps at Page 71 thereof, records of said Contra Costa County, California.

APN: 549-051-002-10

EXHIBIT B

APPROVAL LETTER

[See Attached]



OFFICE OF PUBLIC AND INDIAN HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 913-8892

March 3, 2021

Ms. Nannette Beacham
Executive Director
Richmond Housing Authority
330 24th Street
Richmond California 94804-1725

Dear Ms. Beacham:

The Special Applications Center (SAC) of the U.S. Department of Housing and Urban Development (HUD) has reviewed the Richmond Housing Authority's (RHA) application for the disposition of 1 non-dwelling and 0.52 acres of underlying land (the property). This property was developed, acquired, or assisted by RHA with funds under the U.S. Housing Act of 1937 (the Act) and is under Administration, CA010999999 in HUD's Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) system. HUD received this application as DDA0010891 on November 6, 2020 via the IMS/PIC system. In accordance with 24 CFR 970.9(a)(17), supplemental information was received through March 3, 2021.

Environmental Review

The Environmental Review (ER) was performed by the local Responsible Entity (RE) the City of Richmond in accordance with 24 CFR part 58 on April 16, 2020. The RE decided that the project or activity converted to exempt under 24 CFR 58.34(a)(12), because the project or activity is categorically excluded under 24 CFR 58.35(a) and there are no circumstances requiring compliance with any of the related federal environmental laws and authorities at Part 58.5. The HUD San Francisco Field Office of Public Housing (Field Office) accepts this determination.

PHA Plan

Public Housing Authorities (PHAs) must include proposed dispositions in a PHA Annual Plan, Significant Amendment or MTW Annual Plan. Qualified PHAs, as defined by the Housing and Economic Recovery Act of 2008 (HERA), must discuss the disposition at a public hearing, as required by 24 CFR 903.7. RHA submitted an Annual Plan to the HUD San Francisco Field Office on May 28, 2020, which includes a description of the proposed disposition at the property. The HUD San Francisco Field Office approved the Agency Annual Plan on May 29, 2020.

Previous Removals at the Development and Description of Proposed Disposition

RHA has not received any previous HUD approvals for removing property from the development. RHA proposes the disposition of 1 non-dwelling building and 0.52 acres of underlying land. Details of the proposed disposition are as follows:

Administrative, CA01099999	
Number of Non-Dwelling Buildings Existing	1
Number of Non-Dwelling Buildings Proposed	1
Existing Land	0.52 Acres
Proposed Land	0.52 Acres
IBS1, IBS2, IBS3 and IBS4	

Disposition Justification, Valuation and Commensurate Public Benefit

RHA justified the disposition of the property in accordance with the specific criteria of 24 CFR 970.17(d) and PIH Notice 2018-04. Specifically, RHA justified the non-dwelling building structure or land because the disposition of the property is incidental to, or does not interfere with, continued operation of the remaining portion of the project.

RHA proposes the disposition of 1 non-dwelling building and 0.52 acres of underlying land to the City of Richmond at less than Fair Market Value (FMV) for \$1.00. The PHA did not use the building for its intended purpose for many years and has no property management need for the building. RHA leased the property to the city of Richmond for use by the Employment and Training Department (ETD) to train residents and low-income people with construction and green building skills to help them to gain access to good jobs.

In accordance with 24 CFR 970.19(d), RHA provided a valuation of the property that was performed by the Contra Costa County Assessor’s Office. A copy of the valuation is included in the application and HUD accepts this method as a reasonable valuation of the property. Administrative, CA01099999 was estimated to be valued at \$307,650.00 as of March 30, 2020.

The Department considers this transaction as a below FMV transaction. The Department allows disposition of property at less than FMV (where permitted by state law), if the activity provides commensurate public benefits to the community, the PHA or the federal government. RHA proposes to dispose of the property for less than Fair Market Value (FMV) via a negotiated sale for the nominal amount of \$1.00. The disposition will allow the city of Richmond through Richmond BUILD to continue to serve primarily low-income Richmond residents that reside and grew up in public housing to create living wage jobs and pathways out of poverty. According to RHA, Richmond BUILD is recognized nationally as an exemplary job training program, and one of the Department of Labor’s “Best Practices”. RHA will require a 30-year use restriction for the building to serve primarily low-income residents at under 80% of AMI and people from low-income neighborhoods. HUD finds that the proposed use qualifies as a commensurate public benefit. The Department concurs with RHA’s determination that the disposition of the non-dwelling building structure and land is incidental to, or does not interfere with, continued operation of the remaining portion of the project

Resident Consultation

24 CFR 970.9(a) requires that a PHA consult with residents who will be affected by a proposed disposition, any resident organizations for the development, PHA-wide resident organizations that will be affected by the disposition, and the Resident Advisory Board (RAB). The PHA must also submit copies of any written comments submitted to the PHA and any

evaluation that the PHA has made of the comments.

1. Project Specific Resident Organization: None
2. PHA-wide Resident Organization: None
3. Resident Advisory Board (RAB) in accordance with 24 CFR 903.13: RAB

24 CFR 970.9(a) requires that an application for disposition be developed in consultation with residents who will be affected by the proposed action, any resident organizations for the development, PHA-wide resident organizations that will be affected by the disposition, and the Resident Advisory Board (RAB). The PHA must also submit copies of any written comments submitted to the PHA and any evaluation that the PHA has made of the comments.

To seek input from residents, RAB and stakeholders, RHA used its Housing Advisory Commission (HAC) and public meetings to seek input. RHA's board is made up of the City Council in which the Mayor serves as the Chairman of the Board of Commissioners with two RHA residents as additional commissioners is advised by a HAC created by city ordinance. The purpose of the HAC is to advise RHA board on all matters concerning the administration of RHA. Selling the Administrative building to the City has been presented and discussed with the HAC and during the public meeting on November 18, 2019 on plans related to the Administrative building. Additionally, plans for the Administrative building were part of public meeting discussions related to RHA's Recovery Agreement with HUD held October 21, 2019. RHA provided minutes of the meetings and sign-in sheets.

Mayor/Local Government Consultation and Board Resolution

As part of the consultation process, RHA's Board of Commissioners is made up of the City Council and two resident commissioners. The Mayor serves as RHA board chairman. RHA held meetings on October 21, 2019 and November 18, 2019 to discuss the disposition of the Administrative non-dwelling building. As required by 24 CFR 970.7(a)(14), the application package includes a letter of support from the Honorable Tom Butt, Mayor of the City of Richmond, dated January 17, 2020. The last resident consultation was on November 18, 2019. As required by 24 CFR 970.7(a)(13), RHA's Board of Commissioners approved the submission of the disposition application for the proposed property on June 30, 2020, via Resolution Number 2122.

Energy Performance Contracting

RHA does not have an approved Energy Performance Contracting (EPC)

Approval

HUD's review of the application has determined that the proposed disposition is consistent with Section 18 of the 1937 Act the implementing regulations at 24 CFR part 970, and PIH Notice 2018-04. HUD hereby approves the application as summarized below:

Administration, CA01099999	
Approved for Disposition: 1 Non-Dwelling Building; Acres: 0.52	
Acquiring Entity	City of Richmond
Acquiring Method	Sale at Less Than Fair Market for \$1.00
Terms	30-year use restriction for the building to serve primarily residents earning 80% of Area Median Income.
Commensurate Public Benefit	RHA will require a 30-year use restriction for the building to serve low-income residents at 80% of AMI or less.

Conditions

- The City of Richmond must operate the property to serve primarily residents earning 80% of Area Median Income with community supportive services such as employment training for a minimum of 30 years. The use restriction must be enforced by use agreements, or other legal mechanisms as determined by the HUD San Francisco Field Office. Such use restriction documents must be recorded in a first priority position against the properties, prior to any financing documents or other encumbrances, and remain in effect even in the event of default or foreclosure on the properties.
- City of Richmond shall maintain ownership and operation of the property during the use restriction period. The owner shall not convey, sublease, or transfer the property approved for this disposition without prior approval from RHA and HUD at any point during the period of use restriction.
- The use restrictions shall be covenants that run with the land, and shall bind and inure to the benefit of the parties, their successors and assigns, and every party now or hereafter acquiring any right, title, or interest therein or in any part thereof;
- Certain involuntary transfers of the property, such as to a secured lender upon default under the security documents, or pursuant to foreclosure, may occur, with the use restrictions surviving the transfer. Any subsequent transfers shall require prior written approval from RHA and HUD; and
- RHA is responsible for monitoring and enforcing these use restrictions during the period they are in effect.

PIC and Monitoring - RHA

In accordance with 24 CFR 970.7(a)(4), RHA provided the following general timetable based on the number of days major actions will occur following approval of the application:

	Milestone	Number of Days after Approval
A	Begin relocation of residents	0
B	Complete relocation of residents	0
C	Execution of contract for removal	30

	(e.g. sales contract or demolition contract)	
D	Actual Removal Action (e.g. demolition or sale closing)	60

- In accordance with 24 CFR 970.35 of the regulation, your agency is required to inform the HUD San Francisco Field Office of the status of the project (i.e., delays, actual disposition, modification requests or other problems). Within seven days of disposition completion, RHA must enter the “actual” dates of disposition, directly into the IMS/PIC data system, Inventory Removals sub-module under “Removed from Inventory” tab for the HUD San Francisco Field Office approval, using the following procedure:
 - On the screen, select the appropriate "Development Number", then select "Add Transaction". On the next screen, select the appropriate "Application Number" from the drop-down menu. In the "Action/Closing Date" box, enter the removal date. If the properties in an application were removed on multiple dates, a separate transaction is needed for each action date. The remaining steps are as applicable.
 - For removal of land and non-dwelling buildings without PIC building numbers, use “Remove Non-Residential Inventory” section. Fill in the number of acres and non-dwelling buildings without PIC building numbers. Save the information using the "Save" button. The status of this information is then displayed as "Draft."
 - RHA supervisory staff submits the information to RHA Executive Director, or the designated final reviewer at RHA, using the Submission sub tab. The status becomes "Submitted for Review".
 - RHA Executive Director or designee uses the Review sub tab to reject the transaction, which places it in a "Rejected" status, or approves, which places it in a "Submitted for Approval" status.
 - If the submission is rejected by HUD, RHA may modify the information by repeating the previous procedure. If the transaction is rejected, the status becomes "Rejected." If the HUD San Francisco Field Office approves the transaction, the status in IMS/PIC permanently changes to "Removed from Inventory (RMI)".
- When the disposition is completed in its entirety, please submit a report to the HUD San Francisco Field Office confirming the action and certifying compliance with all applicable requirements. Auditable financial statements, expenditures and files for each transaction relative to the action must be maintained, available upon request and forwarded with the final report.
- RHA must retain records of the SAC application and its implementing actions of HUD’s approval of this SAC application for a period of not less than three years following the last required action of HUD’s approval.
- RHA is responsible for monitoring and enforcing use restrictions identified under “**Conditions**” section during the period they are in effect.

PIC and Monitoring – Field Office

In accordance with 24 CFR 970.35 of the regulation, RHA is required to inform the HUD

San Francisco Field Office of the status of the project (i.e., delays, actual disposition, modification requests or other problems). It is the HUD San Francisco Field Office's responsibility to monitor this activity based on its latest risk assessment.

- The HUD San Francisco Field Office must verify that the actual removal data is entered in IMS/PIC by RHA within seven days of disposition to ensure the Department is not overpaying operating subsidy and the Capital Fund formula data is correct.
 - When RHA submits an Inventory Removal action in IMS/PIC, the HUD San Francisco Field Office will be notified seeking inventory removal approval via a PIC system generated email to the HUD San Francisco Field Office designated PIC coach or another person. Below is a sample notification email: "*Subject: Inventory Removal Submittal Notification (HA code) Inventory removals have been submitted for approval by your office on [submission date] by [HA Code].*"
 - When the above email is received, the HUD San Francisco Field Office is responsible for the review and approval or rejection of RHA's Inventory Removal submission within seven days.
- The HUD San Francisco Field Office will conduct a threshold review of the TPV request prior to sending the request to HUD's Financial Management Center (FMC) for a final determination and processing.
- The HUD San Francisco Field Office, with concurrence from the HUD Office of the General Counsel (OGC) must approve the evidentiary documents, terms, and conditions in the conveyance of real property, whether in whole or in part, described in this approval. If there are previous land and/or use agreements or encumbrances, other than the Declaration of Trust (DOT), disposition approval and release of the DOT does not circumvent or supersede those obligations.

When an amendment to this approval is needed, PHAs must comply with all material terms of the SAC application. If after receiving HUD approval, a PHA's plan changes on material terms, SAC approval of the change is required. Material terms include (i) method of disposition; (ii) public bid sale where offer is less than 80 percent of FMV appraisal submitted in the SAC application. PHA's request for change in FMV, must include narratives on its due diligence in offering the public housing property for sale on the open and competitive market and its rationale for accepting an offer that is less than 80 percent of appraised FMV. Alternatively, the PHA may submit an updated appraisal; and (iii) terms of commensurate public benefit disposition (the PHA must describe the revised future use of the property so HUD can confirm the commensurate public benefit). PHAs request amendments by sending an email to SACTA@hud.gov with the information noted above and a board resolution approving the change. On a case-by-case basis, SAC may require additional supporting documentation to support an amendment (e.g., evidence of local government and/or resident consultation; confirmation of environmental clearance etc.).

The HUD San Francisco Field Office has been informed of this approval. Its staff is available to provide any technical assistance necessary for your agency to proceed with the

disposition. As RHA starts the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you have to modify your plans, please contact the SAC at SACTA@hud.gov. As always, my staff and I are available to assist you in any way possible.

Sincerely,

**JANE
HORNSTEIN**

Digitally signed by: JANE HORNSTEIN
DN: CN = JANE HORNSTEIN C = US
O = U.S. Government OU =
Department of Housing and Urban
Development, Office of Public and
Indian Housing
Date: 2021.03.03 16:22:00 -06'00'

Jane B. Hornstein
Director

CC: San Francisco Field Office