

RESOLUTION NO. 24-25

**A RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA,
AUTHORIZING A LOAN FROM THE CITY GENERAL FUND TO THE CITY
AFFORDABLE HOUSING FUND, AND THE PROVISION OF A LOAN TO PROVIDE
OPERATING AND CAPITAL SUBSIDIES FOR A HOMEKEY PROGRAM PROJECT**

WHEREAS, the Department of Housing and Community Development (“**HCD**”) issued a Notice of Funding Availability for the Homekey Program (“**Homekey**”) pursuant to Health and Safety Code section 50675 *et seq.*; and

WHEREAS, in response to an application jointly submitted by the City and 425 Civic Center LP, a California limited partnership (“**Developer**”), HCD awarded \$14,512,660 in Homekey funds to support the acquisition, rehabilitation, and operation of a permanent supportive housing project at 425 24th Street (the “**Property**”) consisting of 48 units for people experiencing homelessness or at-risk of homelessness and one manager’s unit (the “**Project**”); and

WHEREAS, the City Council previously authorized the provision of funding for the Project in the amount of \$4,900,000 (“**Original City Funding**”), including capital funding and an operating subsidy; and

WHEREAS, the provision of an operating and a capital loan for the Project are allowable uses of inclusionary housing and affordable housing linkage fees collected by the City and deposited into City’s Affordable Housing Fund established pursuant to Richmond Municipal Code Section 15.04.603.130 (the “**Affordable Housing Fund**”); and

WHEREAS, at present the Affordable Housing Fund lacks sufficient resources to fund the Original City Funding; and

WHEREAS, the City Council previously authorized a loan from the City’s general fund to the Affordable Housing Fund in order to provide the total Original City Funding for the Project; and

WHEREAS, available funds in the Affordable Housing Fund will be used first and the general fund will loan the Affordable Housing Fund the delta amount needed to fund the Original City Funding; and

WHEREAS, additional funds are needed for rehabilitation and operation of the Project; and

WHEREAS, at present the Affordable Housing Fund lacks sufficient resources to provide the additional subsidies needed for the Project; and

WHEREAS, the City Council previously authorized a waiver of Transient Occupancy Taxes and late fees in the approximate amount of \$177,185 owed by the seller of the Property (the “**Seller**”) accrued as of the originally anticipated date of closing for the City’s acquisition of the Property; and

WHEREAS, the closing for the City’s acquisition of the Property has been delayed, and the Seller has agreed to extend the closing date provided that the City agrees to authorize a waiver of Transient Occupancy Taxes and late fees accrued through the new closing date and reimbursement of sewer lateral charges incurred by the Seller.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE RICHMOND CITY COUNCIL, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, THAT:

1. The City general fund (“**General Fund**”) will provide an interfund loan of One Million, Four Hundred Thousand (\$1,400,000) in FY 24/25 and an additional Two Million (\$2,000,000) in future commitment based on occupancy, currently anticipated to occur in April 2026 for a total amount of up to Three Million, Four Hundred Thousand Dollars (\$3,400,000) (the “**Interfund Loan**”) to the Affordable Housing Fund in order to make funds available to finance the additional operating and capital subsidies for the Project.

2. As the Affordable Housing Fund receives deposits of inclusionary housing and affordable housing linkage fees, the Interfund Loan will be repaid via interfund transfers from the Affordable Housing Fund to the General Fund until the Interfund Loan is paid in full and the General Fund is restored.

3. The City will use the proceeds of the Interfund Loan to provide an additional loan to Developer in the amount of Three Million, Four Hundred Thousand Dollars (\$3,400,000) to the already committed amount of Four Million, Nine hundred Thousand Dollars (\$4,900,000) to provide a capital and operating subsidy for the Project totaling \$8,300,000.

4. The City Manager is hereby authorized to execute and implement amendments to the Purchase and Sale Agreement for the City’s acquisition of the Property to provide for (a) the City’s waiver of Transient Occupancy Taxes and late fees in the amount accrued through the closing date for the City’s acquisition of the Property, and (b) reimbursement to the Seller of sewer lateral charges in the amount of \$19,215.22.

5. The City Manager is hereby authorized and directed to take all such actions and to execute, acknowledge, deliver, and record such instruments, including without limitation, a Loan Agreement and a Regulatory Agreement as the City Manager may deem necessary or appropriate in order to carry out and perform the purposes and intent of this Resolution.

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 on March 11, 2025, by the following vote:

AYES: Councilmembers Bana, Brown, Jimenez, Robinson,
Wilson, Vice Mayor Zepeda, and Mayor Martinez.
NOES: None.
ABSTENTIONS: None.
ABSENT: None.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

EDUARDO MARTINEZ
Mayor

Approved as to form:

DAVE ALESHIRE
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. 24-25**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on March 11, 2025.


Pamela Christian, Clerk of the City of Richmond