

**RESOLUTION NO. 51-09**

**RESOLUTION OF THE CITY OF COUNCIL OF THE CITY OF RICHMOND,  
CALIFORNIA AUTHORIZING THE FORMATION OF THE RICHMOND  
NEIGHBORHOOD STABILIZATION CORPORATION**

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WHEREAS, Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA), allocated \$3,346,105 to the City of Richmond (the "City") to be considered as Community Development Block Grant Funds (CDBG) to be provided for emergency assistance to finance, purchase, acquire, demolish, land bank or redevelop abandoned and foreclosed homes under the Neighborhood Stabilization Program (NSP);

WHEREAS, the City Council authorized the Richmond Community Redevelopment Agency (the "Agency") to carry out the activities to be funded by HERA under NSP;

WHEREAS, on June 16, 2009, the City Council of the City (the "City Council") approved the submittal to the United States Department of Housing and Urban Development, a Substantial Amendment to the Annual Consolidated Action Plan for 2008-2009 (the "Substantial Amendment"), after being duly noticed, in which the City Council made a commitment to use HERA Funds to address the foreclosure and subprime mortgage loan concerns, to expend certain expenditures and to implement specific activities as provided in the Substantial Amendment.

WHEREAS, the Substantial Amendment includes the formation of a single-purpose nonprofit entity which would assist the City and the Agency in carrying out certain NSP activities;

WHEREAS, the City Council desires (i) to authorize the formation of the single purpose entity, Richmond Neighborhood Stabilization Corporation, as a California nonprofit public benefit corporation ("RNSC"), to implement certain NSP activities as described in the Substantial Amendment, (ii) to designate the City Manager as chairperson of the board of directors of the RNSC, City Finance Director as treasurer of the board and Employment and Training Director as board members, and consent to the appointment of the Agency Executive Director, Redevelopment Director, Housing Director and Richmond Housing Authority Executive Director as the other board members of RNSC, and consent to the appointment of the Agency Housing Director as Managing Director of RNSC, (iii) to authorize the submittal of applications for a federal and state income tax exemption for RNSC under the lessening the government burden standard, and (iv) to authorize the submittal of applications for and expenditure of NSP funding;

WHEREAS, the City Council desires to authorize the formation of the Richmond Community Stabilization Trust ("RCST"), according and consistent to the programmatic guidelines of the National Community Stabilization Trust, a collaboration of Enterprise Community Partners, the Housing Partnership Network, the Local Initiatives Support Corporation and NeighborWorks America ("NCST"), which will serve as the local entity to work with NCST; an entity organized to facilitate the transfer of foreclosed and abandoned property from financial institutions nationwide to localities receiving NSP funds to promote neighborhood stability;

WHEREAS, by the staff report accompanying this Resolution, the City Council has been provided with additional information upon which to findings and the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED, that the City Council finds the above recitals true and accurate.

NOW, THEREFORE, BE IT FUTHER RESOLVED, that the City Council hereby approves and authorizes the (i) the formation of the Richmond Neighborhood Stabilization Corporation to carry out the activities as described in the Substantial Amendment, (ii) the designation of the City Manager as chairperson of the board of directors of the RNSC, City Finance Director as treasurer of the board, and Employment and Training Director as board members, and consents to the appointment of the Agency Executive Director, Redevelopment Director, Housing Director and Richmond Housing Authority Executive Director as the other

board members of RNSC, and consents to the appointment of the Agency Housing Director as Managing Director of RNSC, and (iii) authorizes the RNSC board to carry out any and all actions necessary to implement the Richmond Neighborhood Stabilization Program.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council hereby approves and authorizes the formation of the Richmond Community Stabilization Trust, which is to be managed by the Richmond Neighborhood Stabilization Corporation in accordance with the requirements of the National Community Stabilization Trust.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager or his designee to apply for a federal and state income tax exemption for RNSC, to apply for NSP funding, and to take any and all actions necessary to implement the foregoing Resolution.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately.

I certify that the foregoing Resolution was passed and adopted by the Members of the City Council of the City of Richmond at a regular meeting held on June 16, 2009, by the following vote:

AYES: Councilmembers Bates, Butt, Rogers, Ritterman, Viramontes, Vice Mayor Lopez, and Mayor McLaughlin.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

DIANE HOLMES  
Clerk of the City of Richmond

(SEAL)

Approved:

GAYLE McLAUGHLIN  
Mayor

Approved as to form:

RANDY RIDDLE  
City Attorney

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