

RESOLUTION NO. 87-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND
AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE
COMMUNITY AND DEVELOPMENT BLOCK GRANT (CDBG) SECTION 108 LOAN
AND HOME INVESTMENT PARTNERSHIP LOAN AGREEMENTS WITH THE RHA
HOUSING CORPORATION FOR THE TRIANGLE COURT AND FRIENDSHIP
MANOR RENTAL ASSISTANCE DEMONSTRATION PROGRAM (RAD)
REHABILITATION PROJECTS**

WHEREAS, the Rental Assistance Demonstration (RAD) Program is a voluntary program of the Department of Housing and Urban Development (HUD) designed to provide Public Housing Agencies (PHAs) with access to stable funding such as the Low Income Housing Tax Credit Program (LIHTC) tax credits to make capital improvements to their housing assets; and

WHEREAS, RAD Program allows PHAs to manage their properties by using one of two types of HUD funding contracts that are tied to a specific building: Section 8 project-based vouchers or Section 8 project-based rental assistance; the Section 8 contracts are for 15-20 years and a more stable funding source than traditional public housing funding sources; and

WHEREAS, the Richmond Housing Authority (RHA), under its nonprofit affiliate RHA Housing Corporation, has been awarded 4% tax credits under the LIHTC to support the conversion and rehabilitation of Friendship Manor and Triangle Court to Section 8 project-based rental assistance under the RAD Program; and

WHEREAS, the Housing and Community Development Department (HCD) desires to provide RHA Housing Corporation a \$3,000,000 loan using CDBG Section 108 funds and HOME Investment Partnership funds to support rehabilitation of the Triangle Court and Friendship Manor properties; and

WHEREAS, the RHA Housing Corporation is a non-profit corporation designated as a charitable organization under Section 501(c)(3) of the Internal Revenue Code, has the professional capacity to manage the conversion and rehabilitation of the Triangle Court and Friendship Manor properties and has successfully raised and financed 90% (\$28,899,675) of the funds required to complete the Triangle Court and Friendship Manor rehabilitation projects; and

WHEREAS, HCD may access funding for the Triangle Court and Friendship Manor RAD Program projects using CDBG Section 108 Loan Program and the HOME Investment Partnership Program funds; and

WHEREAS, \$700,000 in Section 108 Program Loan funds will be used to fund the Triangle Court loan and \$2,300,000 in HOME Investment Partnership Program loan funds will be used to fund the Friendship Manor loan; and

WHEREAS, as part of the LIHTC financing, the CDBG Section 108 Loan Program and the HOME Investment Partnership Program loans will be assigned to a tax credit partnership (RHA RAD Housing Partners LP), of which RHA Housing Corporation is the sole member of the Managing General Partner of the partnership; and

WHEREAS, in assisting the RAD Program, HCD and the RHA Housing Corporation will effectively convert, rehabilitate and maintain over 150 units of housing for seniors and lower income households in the City of Richmond; and

WHEREAS, by the agenda report accompanying this Resolution and incorporated herein by reference ("Agenda Report"), the City Council has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Richmond hereby finds the above recitals are true and correct and serve, together with the Agenda Report, as the basis for the findings and actions set forth in this Resolution.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager to negotiate and execute any agreements, including loan agreements, regulatory agreements, promissory notes and deeds of trusts required to effectuate the CDBG Section 108 loan and HOME Investment Partnership loan with RHA Housing Corporation for the Triangle Court and Friendship Manor RAD projects.

Section 1. This resolution shall take effect immediately upon its passage.

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 October 7, 2014, by the following vote:

AYES: Councilmembers Bates, Boozé, Butt, Myrick, Rogers, Vice Mayor Beckles, and Mayor McLaughlin.

NOES: None.

ABSENT: None.

ABSTENTION: None.

DIANE HOLMES
CLERK OF THE CITY OF RICHMOND

(SEAL)

Approved:

GAYLE MCLAUGHLIN
Mayor

Approved as to form:

BRUCE GOODMILLER
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. 87-14**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on October 7, 2014.