

**RESOLUTION NO 112-06**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND,  
CALIFORNIA AUTHORIZING THE ACCEPTANCE AND TRANSFER OF  
HUD SECTION 108 LOAN AND BROWNFIELDS ECONOMIC  
DEVELOPMENT INITIATIVE GRANT FUNDS, AND PLEDGE OF  
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AS SECURITY  
FOR THE SECTION 108 LOAN

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**WHEREAS**, the City applied for \$1,000,000 from the Department of Housing and Urban Development (“HUD”) in Brownfields Economic Development Initiative grant funds in July 2002 and \$1,000,000 in Section 108 loan funds in June 2004 which funds are required by HUD pursuant to 24 CFR 570.705(b) to be secured by a pledge of City CDBG Block Grant funds and Agency Tax Increment revenues (HUD 108/BEDI Miraflores Funds), to provide financing for the development of a mixed income housing development known as the Miraflores Housing Development Project (the “Project”); and

**WHEREAS**, the City Council amended its 5-year Consolidated Action Plan to include the Miraflores Housing Development and add \$2,000,000 in HUD 108/BEDI funds for the project through Resolution 86-04 on June 8, 2004; and

**WHEREAS**, the City Council adopted its Annual Consolidated Plan for 2006-2007 authorizing the Richmond Community Redevelopment Agency (the “Agency”) to administer all activities as required by HUD including the development of the Project through Resolution 162-05 on December 6, 2005; and

**WHEREAS**, the Agency determined that the proposed site for the Project, 99, 130, 223 and 242 S. 47<sup>th</sup> Street, 4606 Florida Avenue, 4809 and 4855 Wall Avenue (the “Property”) is of strategic importance in the removal of blight, and desires to increase and improve the quantity and quality of affordable housing made available for low and moderate income individuals and families through the development of the Project on the Property; and

**WHEREAS**, the Agency purchased the Property on June 30, 2006 as the site for the Project using Agency funds approved by Resolution 06-13 on June 6, 2006 and desires to cause the Property to be developed using HUD 108/BEDI Miraflores Funds to finance the acquisition, remediation and cleanup of the Property; and

**WHEREAS**, the City received final approval of the HUD 108/BEDI Miraflores funds on January 30, 2006 and final loan and other legal documents from HUD relative to the acceptance, use and administration of the HUD 108/BEDI Miraflores Funds on July 21, 2006; and

**WHEREAS**, the City desires to transfer the HUD 108/BEDI Miraflores Funds to the Agency to assist in financing the acquisition, remediation and cleanup of the Property by the developer of the Project; and

**WHEREAS**, in order for the City to receive the HUD 108/BEDI Miraflores Funds and transfer them to the Agency for the Project, HUD requires the City to execute among other documents, Section 108 and BEDI Contracts, a 108 Promissory Note, and a Subrecipient Agreement with the Agency.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Richmond, California hereby authorizes the acceptance of HUD Section 108 loan funds in an amount not-to-exceed one million dollars (\$1,000,000) and Brownfields Economic Development Initiative grant funds in an amount not-to-exceed one million dollars (\$1,000,000) ; and

**BE IT FURTHER RESOLVED**, that the City Council of the City of Richmond, California hereby authorizes the City to pledge its present and future CDBG funds pursuant to 24 CFR 570.705 (b) (2) as security for the Section 108 loan; and

**BE IT FURTHER RESOLVED**, that the City Council of the City of Richmond, California hereby authorizes the transfer of the Section 108 funds to the Agency for use in the Miraflores Housing Development and authorizes the Agency to administer HUD Section 108 and BEDI funds and to execute all documents required by HUD to effectuate the intent of the Resolution; and

**BE IT FURTHER RESOLVED**, that the City Council of the City of Richmond, California hereby authorizes the City Manager to negotiate and execute Section 108 and BEDI Contracts with HUD, a Section 108 Promissory Note, a Subrecipient Agreement with the Agency, and any other documents necessary to effectuate the intent of the Resolution.

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I certify that the foregoing Resolution was passed and adopted by the City Council of the City of Richmond at a meeting held on October 17, 2006 by the following vote:

AYES:	Councilmembers Bates, Butt, Griffin, Marquez, McLaughlin, Rogers, Thurmond, Viramontes and Mayor Anderson
NOES:	None
ABSTENTIONS:	None
ABSENT:	None

DIANE HOLMES  
Clerk of the City of Richmond

(SEAL)

Approved:

IRMA L. ANDERSON  
Mayor

Approved as to form:

JOHN EASTMAN  
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. 112-06, finally passed and adopted by the Council of the City of Richmond at a meeting held on October 17, 2006