

RESOLUTION NO. 107-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA, AGREEING TO THE TRANSFER OF THE U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT (EDA) REVOLVING LOAN FUND GRANT (EDA-RLF) #07-39-02437.01 IN THE CURRENT APPROXIMATE AMOUNT OF \$726,892.35 FROM THE CITY OF RICHMOND TO COMMUNITY HOUSING DEVELOPMENT CORPORATION (CHDC)

WHEREAS, on October 20, 1998 the City Council adopted Resolution No. 161-98 which was the resolution accepting sole grantee position in the U.S. Department of Commerce, Economic Development Administration (“EDA”) Revolving Loan Fund Grant (“RLF”) from the former Co-Grantee Greater Richmond Community Development Corporation (“GRCDC”); and

WHEREAS, the Richmond EDA-RLF continued to be used for the public purpose for which the EDA-RLF Grant was awarded, which includes, without limitation, the provision and servicing of loans to persons and businesses who otherwise lack access to capital so as to stimulate development, job growth and employment opportunities in target areas which have historically lacked such development, growth and opportunities; and

WHEREAS, the Richmond EDA-RLF approved and funded 44 new loans totaling \$1,978,000 which created 198 new jobs and saved 464 jobs to Richmond small businesses since October 20, 1998; and

WHEREAS, the City of Richmond has determined that the cost to administer and manage the EDA-RLF is no longer feasible and was given two grant exit options by the EDA to (1) relinquish the grant to the EDA; or to (2) transfer the grant to a local organization and to continue to be used for the public purpose for which the EDA-RLF Grant was awarded; and

WHEREAS, the option to relinquish the grant to the EDA would result in immediate return of \$637,084.50 or 87.64% of the EDA-RLF Capital Base of \$726,892.35 (as of June 30, 2019) to EDA; the City would retain ownership of approximately \$490,085.73 in Loan Receivables to manage and collect and would eventually keep all funds collected; and

WHEREAS, the EDA and the City of Richmond determined that the best interest of the community is to keep the EDA-RLF grant in the Richmond community; and

WHEREAS, City staff issued a Request for Proposal (“RFP”) seeking and organization to become the replacement recipient of the EDA-RLF grant; and

WHEREAS, CHDC and its subsidiary, Community First Lending (“CFL”) responded to the RFP and was evaluated and interviewed by Staff and was selected as the proposed the replacement recipient of the EDA-RLF grant; and

WHEREAS, CHDC is a local community based non-profit organization that has been serving the City of Richmond in community development services for over 29 years; those services include managing and developing rental and home ownership housing properties, providing neighborhood programs that include first and secondary mortgages, commercial lending for real estate development; and

WHEREAS, the CHDC ‘s subsidiary CFL is a Community Development Financial Institution (“CDFI”) who has a lending portfolio that includes first and secondary mortgages supporting first time and move up low to moderate income home buyers, commercial lending for real estate development and that has been in operation since 2011; and

WHEREAS, the City of Richmond received an adopted resolution from CHDC Board of Directors dated September 20, 2019, authorizing the accepting of the transfer of the EDA-RLF grant.

NOW, THEREFORE, BE IT RESOLVED, the Richmond City Council approves the transfer of the U.S. Department of Commerce Economic Development (EDA) Revolving Loan Fund Grant (EDA-RLF) #07-39-02437.01 in the amount of approximately \$726,892.35 from the City of Richmond to Community Housing Development Corporation (CHDC).

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held November 19, 2019, by the following vote:

AYES: Councilmembers Bates, Johnson, Martinez, Myrick, Vice Mayor Choi, and Mayor Butt.
NOES: None.
ABSTENTIONS: None.
ABSENT: Councilmember Willis.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

TOM BUTT
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. 107-19**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on November 19, 2019.

Pamela Christian
Pamela Christian, Clerk of the City of Richmond