

RESOLUTION NO. 2024-_____

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MERCED, CALIFORNIA,
APPROVING A GRANT TO VISIONARY
HOME BUILDERS OF CALIFORNIA, INC.
ON BEHALF OF VHB BELLA VISTA, LLC
FROM CORONAVIRUS LOCAL FISCAL
RECOVERY FUNDS AS ESTABLISHED
UNDER THE AMERICAN RESCUE PLAN
ACT IN THE AMOUNT OF \$3,500,000,
APPROVING AND AUTHORIZING THE
EXECUTION OF A GRANT AGREEMENT,
REGULATORY AGREEMENT, AND
RELATED GRANT DOCUMENTS, AND
AUTHORIZING CERTAIN OTHER
ACTIONS IN CONNECTION THEREWITH**

WHEREAS, on June 21, 2022 the City Council of the City of Merced (the “City”) approved the commitment of \$3,500,000 to Visionary Home Builders of California, Inc.; and,

WHEREAS, a commitment letter dated June 30, 2022 (“Commitment”) provided for \$5,234,148 in financial assistance in the form of \$4,256,522 in grants and discounts, and \$977,626 in loans from the City to Visionary Home Builders of California, Inc. (the “Sponsor/Developer”) to assist with the acquisition and construction of that certain project to be known as Bella Vista Apartments, which will consist of one hundred six (106) affordable rental housing units set aside as affordable to households with incomes up to 60% of the Area Median Income (“AMI”) for Merced County (“County”) as determined by the California Tax Credit Allocation Committee (“TCAC”) plus two (2) manager units (the “Project”) and which will be located on that certain real property located at 1808 Parsons Avenue, Merced, California, 95341 (APN 061-390-027-000), (the “Site”); and,

WHEREAS, in order to carry out the Commitment, the City will provide Three Million Five Hundred Thousand Dollars (\$3,500,000) in Coronavirus Local Fiscal Recovery Funds as established under the American Rescue Plan Act (“ARPA”) pursuant to Title 31 of the Code of Federal Regulations (“CFR”) Part 35 (the “ARPA Grant”) to the Sponsor/Developer, who is the Managing General Partner

of VHB Bella Vista, LLC. (the General Partner), to finance the construction of the Project; and,

WHEREAS, in consideration for the ARPA Grant, of the 108 units, eleven (11) units will be rented to households with incomes at or below thirty percent (30%) of the Area Median Income for Merced County (“AMI”), twenty seven (27) units will be rented to households with incomes at or below forty percent (40%) of the AMI, forty three (43) units will be rented to households with incomes at or below fifty percent (50%) of the AMI, and twenty five (25) units will be rented to households with incomes at or below sixty percent (60%) of the AMI. The AMI will adjustment for family size, as determined from time to time by the as determined from time to time by the U.S. Department of Housing and Urban Development (“HUD”) pursuant to the United States Housing Act of 1937. Two (2) units will be designated as managers’ units. Should the Sponsor/Developer have multiple restrictions on unit affordability required by other funding sources, the Sponsor/Developer shall adhere to the more restrictive (lower) income limits; and,

WHEREAS, the City has previously received a grant from the United States government under ARPA, from which funds the City intends to make the ARPA Grant to the Sponsor/Developer; and,

WHEREAS, the City Council of the City, with the aid of its staff, has reviewed the documentation related to the ARPA Grant, which documentation is on file with City Clerk of the City; and,

WHEREAS, the City now desires to authorize the making of the ARPA Grant to the Sponsor/Developer pursuant to that certain Deed Restriction Covenant and Grant Agreement, dated (Date of City Council Meeting) (the “Grant Agreement”), by and between the City and the Sponsor/Developer, to be funded from ARPA funds, and subject to all applicable provisions and regulations of the 31 CFR Part 35 and the Grant Documents as defined in the Grant Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The City hereby approves and authorizes the ARPA Grant in the amount of Three Million Five Hundred Eight Dollars (\$3,500,000) to the Sponsor/Developer, to be funded from Coronavirus Local Fiscal Recovery

Funds as established under ARPA pursuant to 31 CFR Part 35, all in accordance with the terms and conditions of the Grant Agreement.

SECTION 2. The City hereby approves and authorizes the execution of the Grant Agreement, substantially in the form presented at this meeting and on file with the City Clerk of the City, with such revisions, amendments and completions as shall be approved by the Mayor, the City Manager, the Finance Director or the City Clerk of the City, and each of them, and any designee of any of them (each, an “Authorized Officer”) with the advice of the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Officer.

SECTION 3. The City hereby approves and authorizes the execution of that certain (a) Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), by and between the City, the Sponsor/Developer and the Developer, (b) Agreement Containing Covenants Affecting Real Property (the “Covenant Agreement”) and (c) Notice of Affordability Restrictions on Transfer of Property (the “Notice”), substantially in the forms presented at this meeting and on file with the City Clerk of the City, with such revisions, amendments and completions as shall be approved by an Authorized Officer with the advice of the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Officer. The City Clerk shall deliver the Regulatory Agreement, the Covenant Agreement and the Notice to escrow for recordation.

SECTION 4. Any one of the Authorized Officers, and each of them, is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable, in order to consummate the ARPA Grant and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

SECTION 5. The City Clerk shall certify as to the adoption of this Resolution, which shall be in full force and effect immediately upon its adoption.

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PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2024, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:
MATTHEW SERRATTO, MAYOR

Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

Craig Cornwell 9-24-2024
City Attorney Date