

RESOLUTION NO. 2025-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA, ACTING
AS THE HOUSING SUCCESSOR AGENCY TO
THE CITY OF MERCED REDEVELOPMENT
AGENCY, APPROVING A HOUSING SUCCESSOR
GRANT TO CC915 MERCED, INC. IN THE
PRINCIPAL AMOUNT OF \$200,000., 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 February 18, 2025, the City Council of the City of Merced (the “City”) approved the commitment of Two Hundred Thousand Dollars (\$200,000) to CC915 Merced, Inc.; and,

WHEREAS, in order to carry out the Commitment, the City, acting as the Housing Successor Agency to the Former Merced Redevelopment Agency, (the “Agency”), desires to provide a grant of Two Hundred Thousand Dollars (\$200,000) (the “Housing Successor Grant”) from Low and Moderate Income Housing Asset Funds to CC915 Merced, Inc. (the “Developer”) for the construction of twenty (20) studio units, to be rented to extremely low income homeless veterans and homeless individuals, and one (1) manager unit, for a total of twenty-one (21) units (the “Project”) on that certain real property generally known as 73 South “R” Street, Merced, California 95341 (APN 059-256-004); and,

WHEREAS, in consideration for the Housing Successor Grant, the Project shall consist of twenty (20) affordable rental dwelling units restricted for occupancy for those who are homeless or at risk of homelessness and have incomes that are at or below thirty percent (30%) of the Area Median Income for a period of fifty-five (55) years; and one (1) unit will be designed as a manager unit; and,

WHEREAS, the Housing Successor Grant is being made pursuant to, and is subject to the California Health and Safety Code (the "Law") Sections 34176 and 34176.1; and

WHEREAS, the Agency Board Members, with the aid of its staff, has reviewed the documentation related to the Housing Successor Grant, which documentation is on file with Secretary of the Agency; and

WHEREAS, the City Council has been supportive of this project dating back to January 2022, when they approved a joint Homekey grant application with the Developer; and,

WHEREAS, in March 2022, the State Department of Housing and Community Development announced that the project was awarded a \$4,420,000 Homekey grant; and,

WHEREAS, in August 2022, the City executed the Disposition and Development agreements for the transfer of the property to CC915 Merced, Inc.; and,

WHEREAS, due to various conditions, including a flood in the City of Merced that prompted a local State of Emergency, the death of the founder and President of CC915, Merced, Inc., necessary leadership changes in the company, delays from the out of state manufactures and approval process for the containers before they could be shipped to California, all lead to increased expenses for the project; and,

WHEREAS, the City now desires to authorize the making of the Housing Successor Grant to the Developer pursuant to that certain Deed Restriction Covenant and Grant Agreement, dated _____, (the "Grant Agreement"), by and between the City and the Developer, to be funded from Low and Moderate Income Housing Asset Funds, and subject to all applicable provisions and regulations of the Law 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. That the Agency hereby approves and authorizes the Housing Successor Grant in the amount of Two Hundred Thousand Dollars

(\$200,000) to CC915 Merced, Inc., to be funded from Low and Moderate Income Housing Asset Funds, all in accordance with the terms and conditions of the Grant Agreement. The Housing Successor Grant is also subject to the terms and provisions of the Law and all applicable rules and regulations applicable to Housing Asset Funds and the Agency.

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

SECTION 3. That the Agency hereby approves and authorizes the execution of that certain (a) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), by and between the Agency 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 acting as the Secretary to the Board, with such revisions, amendments and completions as shall be approved by an Authorized Officer with the advice of the City Attorney acting as the General Counsel to the Agency, such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Officer. The City Clerk acting as the Secretary to the Board 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 Housing Successor Grant and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

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

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2025, 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 3/7/2025
City Attorney Date