

RESOLUTION NO. 2022-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, APPROVING A GRANT FROM CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS AS ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT IN THE AMOUNT OF \$1,690,462, APPROVING AND AUTHORIZING THE EXECUTION OF A GRANT AGREEMENT, REGULATORY AGREEMENT, AND RELATED GRANT DOCUMENTS, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to City Council action of October 18, 2021, the City of Merced (the “City”), authorized the commitment of One Million Six Hundred Ninety Thousand Four Hundred Sixty Two Dollars (\$1,690,462) in City funds (the “City Grant”) to TwelveThirteen Homekey LP (the “Developer”) to finance a multi-family affordable residential rental project (the “Project”) on that certain real property located at 1213 “V” Street, Merced, California 95341 (APN 031-271-017-000) (the “Site”); and

WHEREAS, the City Council action of October 18, 2021 originally committed HOME Program funds, however due to changes in the availability of HOME Program funds, the funding source has been revised to 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; and

WHEREAS, Pursuant to Standard Agreement No. 21-HK-17177 dated March 28, 2022 by and between the California Department of Housing and Community Development (“HCD”), the City, and Developer (“Homekey Standard Agreement”), the Project was awarded up to Twenty Four Million Twenty Four Thousand Fifty Four Dollars (\$24,024,054.00) in Homekey Program funds (“Homekey Grant”); and

WHEREAS, in consideration for the City Grant and Homekey Grant, the Project consists of ninety-six (96) rental dwelling units. Of the 96 units, forty-five (45) studio units shall be reserved for persons who are “chronically homeless”, fifty (50) studio units shall be reserved for persons who are “homeless”, and one (1) studio unit shall be reserved as a Manager Unit. The terms “chronically homeless” and “homeless” as used in this Grant Agreement are defined in Part 578.3 of Title 24 of the CFR. The 95 studio units assisted by the City Grant shall be restricted for households with incomes at or below thirty percent (30%) of the Area Median Income (“AMI”) for Merced County, with adjustments for family size, 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. Should the Developer have multiple restrictions on unit affordability required by multiple funding sources, the 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 City Grant to the Developer; and

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

WHEREAS, the City now desires to authorize the making of the City Grant to the Developer pursuant to that certain Deed Restriction Covenant and Loan Agreement, dated (Date of City Council Meeting) (the "Grant Agreement"), by and between the City and the 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 City Grant in the amount of One Million Six Hundred Ninety Thousand Four Hundred Sixty Two Dollars (\$1,690,462) to the 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 4. 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 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 6. 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 City Grant and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

SECTION 7. The City Clerk 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 _____ 2022, by following called vote:

AYES Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED

BY _____
Mayor


ATTEST:

BY: _____
City Clerk

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM

BY:  _____ 8/24/2022
City Attorney Date