



## Legislation Details

<b>File #:</b>	24-009	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Report Item	<b>Status:</b>	Passed		
<b>File created:</b>	12/18/2023	<b>In control:</b>	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency		
<b>On agenda:</b>	4/2/2024	<b>Final action:</b>	4/2/2024		
<b>Title:</b>	SUBJECT: Approval of a Resolution Acknowledging the October 28, 2021, Environmental Monitoring Report Regarding Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) Fund Activities by the U.S. Department of Housing and Urban Development (HUD); Pledging the City's Intent to Prohibit Use of HUD Funds Towards the Projects Identified in Finding 1 of the Monitoring Report; Transfer and Assignment of Previous Home Investment Partnership Program (HOME) Affordability, Deed, Note, and Loan Agreements to HSA/Housing LMI Asset Funds for the 1820 I Street Project; Authorizing the Use of Housing Successor Agency (HSA)/Housing LMI Asset Funds to Satisfy the Listed Corrective Actions for Local Fund Repayment of Expended HUD Funds				

### REPORT IN BRIEF

Considers formal acknowledgement of the October 28, 2021, On-Site Environmental Monitoring Report by HUD by means of adoption of a Resolution by City Council. This acknowledgement includes agreeing to abide by the Corrective Actions that are required by HUD to rectify the findings noted in the monitoring report. Corrective actions include repayment, using a non-Federal or local fund source, of noncompliant CDBG and HOME expenditures, as identified during the monitoring, and approval of the Resolution would authorize the use of HSA Housing LMI Asset Funds to be used as the local funding source for all remaining repayments that are to be completed. As part one of a two-part process to address the remaining required corrective actions, this approval also includes authorizing the de-obligation and transfer and assignment of all current HOME affordability, deed, note, and loan commitments and agreements associated with the project at 1820 I Street to HSA LMI Asset funds; and authorizing the City Manager to execute all related documents and agreements and the Finance Officer to encumber and appropriate funds and carry out all other necessary actions related to the repayment and the new HSA loan agreements.

### RECOMMENDATION

City Council - Adopt a motion:

A. Approving Resolution 2024-42, a Resolution of the City Council of the City of Merced, California, Acknowledging the October 28, 2021, Environmental Monitoring Report Findings and Corrective Actions Required by the US Department of Housing and Urban Development (HUD) to Regain and Ensure Current and Future Compliance with the Provisions of the National Environmental Policy Act (NEPA) and All Associated Regulations; and,

B. Authorizing the City Manager to execute all necessary documents on behalf of the City of Merced Housing Successor Agency, including, but not limited to, transferring and assigning the original HOME fund Affordability, Deed, Note, and Loan documents for the 1820 I Street project to HSA LMI Asset Funds (Attached); and,

C. Authorizing the Finance Officer to make all necessary budget adjustments to support all actions and transactions needed, as may be deemed essential, including those needed to facilitate, transmit, receive, and send funds; and,

D. Authorizing the City Manager to execute all other documents, subject to review and approval by the City Attorney, which may be necessary to implement these activities.

### Sponsors:

**Indexes:****Code sections:**

**Attachments:** 1. HUD CPD Monitoring Report, October 28, 2021, 2. Assignment and Assumption Notice of Affordability Restrictions on Transfer of Property (Housing Successor), 3. Assignment of Deed of Trust (Housing Successor), 4. Substitution of Trustee and Full Reconveyance (Housing Successor), 5. Notice of Affordability Restrictions on Transfer of Property Relating to HOME Investment Partnerships Loan, 6. Deed of Trust and Security Agreement in Respect of the HOME Investment Partnership Program (1820 I Street), 7. City of Merced HOME Note (1820 I Street Apartment Project - HOME Loan), 8. 1820 I Street Loan Agreement in Respect of the HOME Investment Partnership Program, 9. Resolution 2024-42

Date	Ver.	Action By	Action	Result
4/2/2024	1	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency	approved	Pass