

RESOLUTION NO. 2016-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA RECEIVING AND FILING INFORMATION ON ELEMENTS PERTAINING TO TERMS OF LOAN AGREEMENT BETWEEN THE CITY OF MARINA AND INTERIM INC./ROCKROSE GARDENS HOUSING PROJECT; AND, COMPENSATION TO R.L. HASTINGS & ASSOCIATES, LLC, OF PLACERVILLE, CALIFORNIA IN THE AMOUNT OF FOUR THOUSAND DOLLARS (\$4,000) FOR ADMINISTRATIVE SUBCONTRACTOR SERVICES TO PERFORM REQUIRED MONITORING OF PROJECT FOR COMPLIANCE WITH REQUIREMENTS OF THE HOME PROGRAM TO SUPPORT THE ROCKROSE GARDENS PROJECT

WHEREAS, the City of Marina began working with Interim Inc. with the goal of developing an affordable housing project at 3012-3022 Lexington Court project in March 2010 and at a regular meeting of October 5, 2010, the former Redevelopment Agency of the City of Marina adopted Resolution No. 2010-30 (MRA), which approved entering into an Exclusive Negotiating Agreement for the project to facilitate the development of twenty-one (21) units of permanent, supportive housing for very low income persons with mental disabilities, and;

WHEREAS, at the regular meeting of January 25, 2011, the former Marina Redevelopment Agency Board adopted Resolution No. 2011-02 (MRA) approving a Development and Disposition Agreement (DDA) with Interim Inc. for the property, which was executed on January 31, 2011. The City had collaborated with Interim to secure \$5.5 million funding required to construct the project, from a range of funding sources, and;

WHEREAS, the grant expired June 25, 2011 with a balance of \$386,873 of Program Income. City staff consulted with HCD staff about the potential for the City to retain the Program Income (PI) funds for HOME-eligible activities in Marina rather than returning the unexpended funds to HCD in a grant close-out process, and;

WHEREAS, in July 2012, HCD staff notified the City that they had amended the 1997 Grant Agreement that would enable the City to retain and redirect use of the funds for HOME-eligible activities, and;

WHEREAS, at a regular meeting of December 4, 2012, the City Council adopted Resolution No. 2012-180 approving a regulatory agreement, loan agreement, deed of trust and note with Interim Inc./Rockrose Housing Corporation to secure the loan of funds in the amount of \$361,873 for the Rockrose Gardens Housing Project in accordance with the regulations of HCD/HOME. The term of the loan cites that the "principal balance of the loan shall bear interest at a rate of three percent (3%), amortized over a term of fifty-five (55) years. Further, "payments shall be made annually based on Residual Receipts as defined in Section IV D of the Agreement, with the first payment due, if any, on April 16 in the year following the first complete calendar year after the date of completion." Upon further staff research, Interim Inc., /Rockrose Housing Corporation will never generate Residual Receipts. While the instrument was set up as a Loan document, the loan functions as a grant to the nonprofit; therefore, no income to the City will be generated, and;

WHEREAS, at the regular meeting of January 20, 2016, city Council approved Resolution 2016-06, to retain R.L. Hastings & Associates, LLC, for a contract amount of Four Thousand Dollars (\$4,000) to provide administrative subcontractor activities related to set up, construction monitoring and completion of related documents in accordance with the regulations of HCD/HOME requirements, and;

WHEREAS, the intent of the Agreement between the City of Marina and R. L. Hastings & Associates is to complete the first year reporting using the services of R.L. Hastings & Associates and guide city staff on all phases of the mandated monitoring/reporting, which would allow subsequent year reporting to be accomplished in-house, and;

WHEREAS, the cost for subcontractor services has been budgeted in account 100.440.000.00 6300.570 (Economic Development Division/Professional Services).

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina does hereby:

1. Receive and file information on elements pertaining to terms of loan agreement between the City of Marina and Interim Inc./Rockrose Gardens Housing Project; and
2. Receive and file information pertaining to compensation to R.L. Hastings & Associates in the amount of Four Thousand Dollars (\$4,000) for Administrative Subcontractor Services to perform required monitoring/reporting of project for compliance requirements of the HOME Program to support the Rockrose Gardens Project. The cost for subcontractor services has been budgeted in account 100.440.000.00 6300.570 (Economic Development Division/Professional Services).

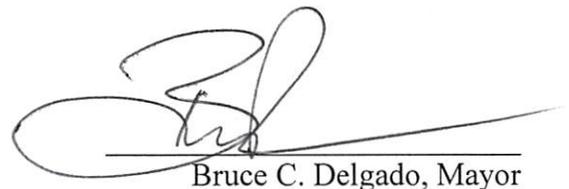
PASSED AND ADOPTED, by the City Council of the City of Marina at a regular meeting duly held on the 2nd day of February, 2016, by the following vote:

AYES: COUNCIL MEMBERS: Amadeo, brown, Morton, O'Connell, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None



Bruce C. Delgado, Mayor

ATTEST:



Anita Sharp, Deputy City Clerk