

RESOLUTION NO. _____

A JOINT RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND AND BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND (RHA) AUTHORIZING THE USE OF \$1.75 MILLION OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDS AND \$1.75 MILLION OF CITY AFFORDABLE HOUSING IN LIEU FEE FUNDS TO PROVIDE A RESIDUAL RECEIPTS LOAN TO NEVIN PLAZA I, L.P. TO ASSIST IN FINANCING THE REHABILITATION OF NEVIN PLAZA, AND AUTHORIZING THE CITY MANAGER OR DESIGNEE AND RICHMOND HOUSING AUTHORITY (RHA) EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE LOAN DOCUMENTS

WHEREAS, the Richmond Housing Authority (RHA) is a public entity chartered by the City of Richmond, California, as a separate legal entity under the provisions of the U.S. Housing Act of 1937; and

WHEREAS, RHA's programs are funded by the federal government, subject to the rules and guidelines of the United States Department of Housing and Urban Development (HUD); and

WHEREAS, RHA's mission is to provide decent, safe and sanitary affordable housing and coordinate supportive services for low-income residents and program participants of the City of Richmond; and

WHEREAS, RHA and the City of Richmond entered into a Public Housing Authority Recovery and Sustainability (PHARS) agreement with the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, RHA remains obligated and committed to performing all HUD required functions, and providing quality service to local program participants; and

WHEREAS, RHA owns the Nevin Plaza development located at 2400 Nevin Avenue, Richmond, CA 94804; and

WHEREAS, on December 4, 2018, the RHA Board of Commissioners directed staff to move forward with repositioning RHA's public housing developments and other real estate holdings; and

WHEREAS, the 2019 PHARS Agreement and Action Plan with HUD (Tasks 3.1 -3.5), requires the repositioning of Nevin Plaza as an implementing action to reposition the RHA Public Housing portfolio; and

WHEREAS, on February 25, 2020, the RHA Board of Commissioners designated EAH Housing (EAH) as the preferred developer for the redevelopment and operation of Nevin Plaza, and authorized the Executive Director of RHA to negotiate an Exclusive Right to Negotiate (ERN) Agreement; and

WHEREAS, on June 30, 2020, the RHA Board of Commissioners adopted a resolution authorizing the Executive Director to execute an ERN agreement with EAH; and

WHEREAS, on September 29, 2020, the RHA Board of Commissioners approved the final Section 18 Disposition Application for Nevin Plaza to be submitted to HUD; and

WHEREAS, on December 15, 2020, the RHA Board of Commissioners authorized the Executive Director to enter into a Master Development Agreement (MDA) with EAH, and authorized the Executive Director to negotiate and execute any and all related documents and agreements, for the rehabilitation of Nevin Plaza, including without limitation, a ground lease, a purchase and sale agreement for the sale of the improvements, and seller carryback loan

documents; and

WHEREAS, in October 2022, EAH informed RHA and the City of Richmond of a funding gap resulting from additional construction requirements, increased construction costs, increased construction interest expense due to Federal Reserve Bank rate increases, and a requirement to fund a capitalized operating reserve to fund operating expenses until rehabilitation is completed; and

WHEREAS, if not addressed, the funding gap would impair the ability to close the transaction, reposition the asset, and implement improvements to Nevin Plaza; and

WHEREAS, on November 9, 2022, the Design Review Board considered and approved EAH requests for modifications of previously approved exterior façade improvements of the Nevin Plaza building as a cost savings measure; and

WHEREAS, staff has reviewed the requirements of the ARPA and Affordable Housing In Lieu Fee Funds, and have determined that rehabilitation of Nevin Plaza would qualify as a permitted use of these funds; and

WHEREAS, the RHA Board of Commissioners and the City Council support the repositioning efforts outlined in the PHARS agreement; and

WHEREAS, the RHA Board of Commissioners and the City Council support the rehabilitation of Nevin Plaza and the improvement and preservation of affordable housing units.

NOW, THEREFORE, BE IT RESOLVED THAT THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND AND THE MEMBERS OF THE RICHMOND CITY COUNCIL, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, hereby authorize the use of \$1.75 million of American Rescue Plan Act (ARPA) funds and \$1.75 million in Affordable Housing In Lieu Fee Funds to provide a residual receipts loan to Nevin Plaza I, L.P. to assist in financing the rehabilitation of Nevin Plaza, and authorize the City Manager or designee and Richmond Housing Authority (RHA) Executive Director to negotiate and execute loan documents.

BE IT FURTHER RESOLVED THAT the Executive Director and City Manager are authorized to take all actions necessary to implement the foregoing resolution.

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond and the Richmond Housing Board of Commissioners at a joint meeting thereof held on December , by the following vote:

- AYES:
- NOES:
- ABSTENTIONS:
- ABSENT:

Chairperson

[SEAL]

ATTEST:

Secretary

Approved as to form:

Attorney
State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No.** , finally passed and adopted at a joint City Council and Housing Authority Meeting held on December .

CLERK OF THE HOUSING AUTHORITY
AND CITY OF RICHMOND