

RESOLUTION NO. _____

**A RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND
AUTHORIZING THE ACQUISITION OF PROPERTY TO IMPLEMENT A
HOMEKEY PROJECT AT 425 24TH STREET**

WHEREAS, the Department of Housing and Community Development (“**HCD**”) has issued a Notice of Funding Availability for the Homekey Program (“**Homekey**”) pursuant to Health and Safety Code section 50675 *et seq.*; and

WHEREAS, the City Council previously authorized the submittal of a joint application for Homekey funds together 425 Civic Center LP, a California limited partnership affiliated with Novin Development Corporation (“**Developer**”) to support the development of a permanent supportive housing project at 425 24th Street (the “**Property**”) consisting of 48 units for people experiencing homelessness or at-risk of homelessness and one manager’s unit (the “**Project**”); and

WHEREAS, the City Council previously authorized the execution of an HCD Standard Agreement and related documents if Homekey funds are awarded for the Project; and

WHEREAS, contingent upon an award of Homekey funds for the Project, the City Council previously authorized the provision of funding in an amount up to \$4,900,000, which may include capital funding and an operating subsidy, and a waiver of transfer taxes in the amount of \$131,000; and

WHEREAS, Developer and the current owner of the Property entered into a Purchase and Sale Agreement (“**PSA**”), pursuant to which the owner agreed to sell the Property to Developer for a purchase price of \$9,065,000; and

WHEREAS, based on an appraisal of the Property, Developer requested, but the owner rejected, a reduction in the purchase price of the Property; and

WHEREAS, the owner, the Developer, and City staff have negotiated the terms of an Assignment, Assumption, and Amendment Agreement (“**PSA Amendment**”) pursuant to which, conditioned upon receipt of an award of Homekey funds for the Project, the City would assume the Developer’s rights to purchase the Property pursuant to the PSA with a reduced purchase price equal to Six Million, Two Hundred Twenty Thousand Dollars (\$6,220,000), City’s agreement to waive applicable transfer taxes and waive outstanding Transient Occupancy Taxes (TOT) and late fees in the approximate amount of \$177,185; and

WHEREAS, contingent upon an award of Homekey funds for the Project, the City Council previously authorized the City to acquire the Property and to ground lease it to Developer for implementation of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE RICHMOND CITY COUNCIL, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, THAT:

1. The City Manager is hereby authorized and directed to execute the PSA Amendment in the form presented to the City Council, and contingent upon an award of Homekey funds for the Project, the City is authorized to acquire the Property.
2. The City Manager is hereby authorized and directed to take all such actions and to execute, acknowledge, deliver, and record such instruments as the City Manager may deem necessary or appropriate in order to carry out and perform the purposes and intent of this Resolution, including without limitation, a certificate of acceptance for the Property.

I certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond at a regular meeting thereof held on _____, 2023, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Clerk of the City of Richmond
[SEAL]

Approved:

Mayor

Approved as to form:

City Attorney