

RESOLUTION NO. _____ (N.C.S.)

A RESOLUTION APPROVING THE EXECUTION OF CONDITIONAL FUNDING RESERVATION LETTER WITH ENVISION HOUSING LLC FOR THE AFFORDABLE HOUSING DEVELOPMENT AT 467-479 E. MARKET STREET

WHEREAS, since 2021, the City of Salinas has collaborated with Envision Housing LLC (Envision), a for-profit developer, on a proposed 100% affordable multifamily housing development project at 467-479 E. Market Street; and

WHEREAS, Envision is in the process of obtaining the City’s entitlement documents for the development, with the goal of completing this process by the end of 2023, and will soon shift towards predevelopment activities for the project with an estimated cost of \$3,247,765; and

WHEREAS, Envision has formally requested \$500,000 from the City to partially cover predevelopment costs and will seek to cover the remaining estimated balance of pre-development costs of the project from several other identified sources; and

WHEREAS, in order to support Envision in its pursuit of additional predevelopment funds, the City is offering a Conditional Funding Reservation Letter in the amount requested (\$500,000), contingent upon Envision successfully securing the balance of its estimated predevelopment costs from other identified sources; and

WHEREAS, on May 9, 2023, the City was awarded \$1,660,000 in Prohousing Incentive Pilot program funds from the California Housing and Community Development (HCD), where gap financing for affordable rental housing projects is an allowable activity under this program; and

WHEREAS, the City intends to allocate \$500,000 of its PIP funds to Envision, in the form of a 3% simple interest loan with a term of 55 years, towards the predevelopment costs for the affordable housing project at 467-479 E. Market St. once all conditions stipulated in the Conditional Funding Reservation Letter are met; and

NOW, THEREFORE, BE IT RESOLVED, that the Salinas City Council authorizes the City Manager or designee to prepare and to issue a Conditional Funding Reservation Letter to potentially provide funding to Envision Housing LLC in the amount \$500,000 utilizing available and allowable HCD PIP Program funds for predevelopment costs of the proposed affordable housing project at 467-479 E. Market Street.

PASSED AND APPROVED this 5th day of December 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk