

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

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A
CONDITIONAL COMMITMENT LETTER WITH THE HOUSING AUTHORITY OF
THE COUNTY OF MONTEREY FOR THE DEVELOPMENT OF DIVISION STREET
PROPERTIES (921 E. MARKET ST. AND 115-151 DIVISION STREET)**

WHEREAS, the Monterey County Housing Authority Development Corporation (HDC), the development arm of HACM, was selected as the developer for seven City owned parcels on the west side of Division Street (921 E. Market St. and 115-151 Division Street) after a Request for Proposal (RFP) process by the end of; and

WHEREAS, to incentivize and expedite the development of this project, the City is proposing to conditionally commit funds from the Salinas Local Housing Trust Fund (LHTF) to HACM in the amount of \$3,080,000 towards the project's predevelopment and construction costs; and

WHEREAS, the total commitment amount for HACM will be composed of \$1,380,000 in appraised land value of the Division Street properties and \$1,700,000 from the LHTF Program funds.; and

WHEREAS, final commitment of LHTF program funds will be in the form of a loan and is based on HACM satisfying the conditions stipulated in the Conditional Commitment Letter, Exclusive Negotiating Rights Agreement, and a formal Salinas LHTF Program Funding Agreement; and

WHEREAS, the City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Future actions related to the development of the proposed Project will be evaluated for CEQA compliance.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council authorizes the following actions.

1. The City Manager, or designee, to finalize, execute and issue a Conditional Funding Commitment Letter to the Housing Authority of the County of Monterey (HACM) for the development of a proposed one-hundred percent affordable multifamily rental housing project at the Division Street properties (921 E. Market St. and 115-151 Division St);
2. The commitment of \$1,380,000 in appraised land value of the Division Street properties and \$1,700,000 from the LHTF Program (Fund 2306) funds for project predevelopment and construction cost; and
3. The appropriation of a FY 24-25 LHTF budget in the amount of \$1,700,000.

PASSED AND APPROVED this 10th day of September 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk