

RESOLUTION NO. 2025-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES APPROVING A FORGIVABLE LOAN IN THE AMOUNT OF \$275,000 TO 1707 NEEDLES HIGHWAY FROM STATE OF CALIFORNIA PROHOUSING INCENTIVE PILOT (PIP) PROGRAM FUNDS TO REHABILITATE TWENTY-NINE (29) AFFORDABLE HOUSING UNITS AT 1707 NEEDLES HIGHWAY NEEDLES, CA 92363 (APN 0185-048-09-0000) AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS

WHEREAS, the City of Needles (“City”) desires to encourage and promote the development of new affordable housing through either new construction, rehabilitation or repurpose; and

WHEREAS, City has applied for and been awarded \$445,000 of funding from the State of California Housing and Community Development Department (“HCD”) from the Prohousing Incentive Pilot (“PIP”) Program to utilize for purposes of increasing the supply of affordable housing in the City; and

WHEREAS, City has been working with 1707 Needles Highway LLC (“NHLLC”) to rehabilitate and repurpose a former hotel/motel located at 1707 Needles Highway, Needles, CA 92363 into twenty-nine (29) units of affordable housing (“Project”); and

WHEREAS, NHLLC has applied for the appropriate land use changes to the subject site to allow for residential (multi-family use); and

WHEREAS, City is in receipt of a scope of work from NHLLC for a total of \$675,000 of work needed to rehabilitate the Project into twenty-nine (29) units of affordable housing, and the City has received conditional approval that the rehabilitation of the subject property is an allowable use of PIP proceeds; and

WHEREAS, NHLLC has agreed that in exchange for a \$275,000 forgivable loan, NHLLC will invest approximately \$400,000 of its own monies into the Project to complete the rehabilitation and agree to Affordability Covenants lasting fifty-five (55) years.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Needles, California, hereby approves an Affordable Housing Agreement with 1707 Needles Highway LLC this date (January 28, 2025) and authorizes the City Manager to execute the Affordable Housing Agreement and the accompanying documents (collectively, “Agreement”) subject to NHLLC receiving appropriate land-use approvals from the City of Needles for residential (multi-family) use and administer said Agreement. Further, that the City Manager is authorized to make minor and administrative modifications to the Agreement as needed and as not to affect its intended purpose.

[Remainder of the page intentionally left blank.]

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 28th day of January 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Janet Jernigan, Mayor

(SEAL)

ATTEST: _____
Candace Clark, Interim City Clerk

APPROVED AS TO FORM:

City Attorney