

RESOLUTION NO. 2025-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES AMENDING RESOLUTION 2025-11 APPROVING AN INCREASE IN A FORGIVABLE LOAN FROM \$275,000 TO \$410,000 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 THE FIRST AMENDMENT TO AFFORDABLE HOUSING AGREEMENT, PROMISSORY NOTE, DEED OF TRUST WITH ASSIGNMENTS OF RENTS, AND REGULATORY AGREEMENT

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

WHEREAS, City applied for and received \$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 of Needles, California; 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, on or about January 28, 2025, City approved Resolution 2025-11 providing a forgivable loan in the amount of \$275,000 to 1707 Needles Highway LLC to rehabilitate and repurpose a former hotel/motel located at 1707 Needles Highway Needles, CA 92363 into twenty-nine (29) units of affordable housing; and

WHEREAS, City desires to increase the forgivable loan amount from \$275,000 to \$410,000 whereby the parties agree that City will receive the originally proposed twenty-nine (29) affordable housing units, along with the installation of wrought iron fencing, on-site laundry facilities, rehabilitation of a 30th unit for an on-site manager, and an outdoor recreation area that will include a shade structure, table and exercise element(s) which shall be approved by the City Manager and/or his designee.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Needles, California, hereby approves, authorizes and directs the City Manager of the City of Needles to effectuate an increase in the loan amount from \$275,000 to \$410,000 by executing the First Amendment to Affordable Housing Agreement, Promissory Note, Deed of Trust with Assignments of Rents, and Regulatory Agreement, and the accompanying documents (collectively, "Amended Agreements") and administer said Amended Agreements. 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.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 10th day of June, 2025 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Janet Jernigan, Mayor

ATTEST:

Candace Clark, City Clerk

APPROVED AS TO FORM:

Lena Wade, Deputy City Attorney