



## Legislation Text

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**File #:** 19-377, **Version:** 1

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RESOLUTION of the City of San Leandro City Council to Approve (1) a General Fund Loan of \$300,000; and (2) a Loan of \$300,000 from CDBG Funds to the San Leandro Boys And Girls Club, Inc., and to Authorize the City Manager to Execute the Loan Agreements

WHEREAS, the City of San Leandro owns the property located at 401 Marina Boulevard, San Leandro, California (the "Property"); and

WHEREAS, the San Leandro Boys And Girls Club, Inc. ("Boys and Girls Club") owns and operates a clubhouse, pool and aquatic center on the Property that serves the San Leandro community; and

WHEREAS, Boys and Girls Club desires to undertake certain capital improvements to renovate and repair the clubhouse, including modernizing locker rooms and meeting spaces, as well as other infrastructure upgrades on the Property, and seeks City's assistance to accomplish this goal; and

WHEREAS, the City receives funds from the United States Department of Housing and Urban Development under Title I of the Housing and Community Development Act of 1974, as amended ("**CDBG**"), and desires to provide CDBG funded loans to qualified local nonprofit organizations, like Boys and Girls Club, to assist such organizations with capital improvement projects, in conformance and accordance with CDBG and HUD laws and regulations; and

WHEREAS, the City Council has also determined that the improvements to be undertaken by Boys and Girls Club will serve a public benefit because the Property is a recreational facility used by the entire San Leandro Community; and

WHEREAS, the City Council desires to provide Boys and Girls Club with a forgivable loan from the General Fund of Three Hundred Thousand Dollars (\$300,000) (the "General Fund Loan") and a forgivable loan of CDBG funds of Three Hundred Thousand Dollars (\$300,000) (the "CDBG Loan"); and

WHEREAS, both the General Fund Loan and CDBG Loan will be for ten years at three percent (3%) interest, but will be forgiven at the end of the loan term if Boys and Girls Club is not in default of either Loans' covenants, conditions, and requirements; and

WHEREAS, because the City already owns the Property, neither the General Fund Loan nor CDBG Loan can or will be secured by a deed of trust.

**NOW THEREFORE**, the City Council of the City of San Leandro hereby RESOLVES that:

1. The above recitals are true, correct, and a part of this Resolution.
2. The General Fund Loan is approved and the City Manager is authorized to execute the General Fund Loan Agreement, substantially in the form attached hereto as Exhibit A, as approved by the City Attorney.
3. The CDBG Loan is approved and the City Manager is authorized to execute the CDBG Loan Agreement, substantially in the form attached hereto as Exhibit B, as approved by the City Attorney.
4. The City Manager, or his designee, is authorized to appropriate \$300,000 from the General Fund unrestricted funds to account 010-41-003-5890, appropriate \$300,000 from CDBG fund account 165-43-214-

5240, and to execute such other documents and to take such other actions necessary to carry out the intent of this Resolution.

5. This Resolution takes effect immediately upon its adoption.