



## Legislation Details (With Text)

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**Title:** Approve an amendment to extend repayment for 6-months to December 31, 2022 on the Interfund Loan Agreement between the City of Fresno Sewer Operating Fund and the City of Fresno General Fund for the purchase, acquisition, and operation of the Valley Inn motel.

**Sponsors:** Office of Mayor & City Manager

**Indexes:**

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**Attachments:** 1. 22-987 First Amendment

Date	Ver.	Action By	Action	Result
6/23/2022	1	City Council	ADOPTED	Pass

## REPORT TO THE CITY COUNCIL

**FROM:** GEORGEANNE A. WHITE, City Manager  
Office of Mayor & City Manager

**BY:** ALMA G. TORRES, Deputy City Manager  
Office of Mayor & City Manager

## SUBJECT

Approve an amendment to extend repayment for 6-months to December 31, 2022 on the Interfund Loan Agreement between the City of Fresno Sewer Operating Fund and the City of Fresno General Fund for the purchase, acquisition, and operation of the Valley Inn motel.

## RECOMMENDATION

The Administration recommends City Council approve an extension to the repayment of the Interfund Loan Agreement between the City of Fresno Sewer Operating Fund and the City of Fresno General Fund approved by Council on June 10, 2021, for the purchase and acquisition of The Valley Inn motel due to the delay in receipt of Homekey 2.0 funds from the State of California Housing and Community Development Department.

## EXECUTIVE SUMMARY

On June 10, 2021 Council approved up to a \$10 million Interfund loan for the purchase of the Valley Inn motel for emergency shelter beds between the City of Fresno Sewer Operating Fund and the City of Fresno General Fund with a repayment date of June 30, 2022. Due to delays in receipt of

Homekey 2.0 funds from the State of California Housing and Community Development Department, the Administration recommends the City Council approve an extension to the repayment of the Interfund Loan to December 31, 2022.

## **BACKGROUND**

On June 10, 2021, Council approved up to a \$10 million Interfund Loan Agreement for the purchase of the Valley Inn motel for low-barrier emergency shelter beds and for the provision of case-management services for the homeless placed at the motels. The Administration identified a variety of funding sources that would be pursued for the repayment of the loan and the terms included full repayment no later than June 30, 2022.

The City applied for funds from the State of California's Housing and Community Development Homekey 2.0 and have received early indication that the City will receive an award in July 2022. These funds will be the source of the repayment; however, the funds are not anticipated to be received until the latter part of 2022, which is after the current repayment deadline indicated in the terms of the loan.

The Administration recommends that Council approve a repayment extension to December 31, 2022, which will allow sufficient time to receive the awarded funds from Homekey 2.0. Failure to approve this extension will require that the General Fund identify a funding source for the repayment of the \$10 million in FY 2022 potentially jeopardizing the funding for other projects.

## **ENVIRONMENTAL FINDINGS:**

Not Applicable

## **LOCAL PREFERENCE:**

Not applicable.

## **FISCAL IMPACT:**

There is no long-term impact on the City's General Fund as a result of this action because this loan will be repaid with new funding sources that are not currently in the General Fund.

Attachment: First Amendment