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**City of Las Cruces**<sup>®</sup>  
 PEOPLE HELPING PEOPLE

**Council Action and Executive Summary**

Item # 12 Ordinance/Resolution# 11-086 Council District: 1

For Meeting of October 4, 2010  
 (Adoption Date)

**TITLE:** A RESOLUTION APPROVING AN AMENDMENT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND MESILLA VALLEY COMMUNITY OF HOPE AS SPONSOR FOR THE OWNING ENTITY, ABODE INC., ADDING ADDITIONAL FUNDS IN THE AMOUNT OF \$84,000, BRINGING THE TOTAL GRANT TO \$149,478.00 FOR THE BUY-DOWN OF THE MORTGAGE FOR 1843 AND 1845 SEXTON STREET.

**PURPOSE(S) OF ACTION:** Approve an amendment to a grant agreement between the City of Las Cruces and Mesilla Valley Community of Hope and ABODE Inc. for the partial buy-down of a mortgage using funds from the Community Development Block Grant Program.

<b>Drafter and Staff Contact:</b> Raymond Burchfield <i>RB</i>		<b>Department:</b> Community Development		<b>Phone:</b> 528-3094	
<b>Department</b>	<b>Signature</b>	<b>Phone</b>	<b>Department</b>	<b>Signature</b>	<b>Phone</b>
Department Director	<i>DW</i>	528-3066	Budget	<i>Richard H. ...</i>	541-2107
			Assistant City Manager	<i>[Signature]</i>	541-2271
Legal	<i>[Signature]</i>	541-2128	City Manager	<i>[Signature]</i>	541-2076

**BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:** The City of Las Cruces is an entitlement community as defined by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) program. As an entitlement community the City of Las Cruces has the authority to administer the CDBG Program. Entitlement communities are required to adopt and implement a Consolidated Plan.

Through the approval of the City's 2006-2010 Consolidated Plan including Resolution 08-267 for the approval of the 2008 Action Plan, Mesilla Valley Community of Hope (MVCH) applied for and was awarded funding in the amount of \$65,478.00 for the partial buy-down of the mortgage for the property at 1843 and 1845 Sexton Street.

Through Resolution 10-272 approving the 2010 Action Plan, MVCH was awarded additional funding in the amount of \$84,000.00 for the remaining balance buy-down of the mortgage of the same property. The buy-down of the mortgage will provide a reduction in their monthly mortgage payment which will allow MVCH/ABODE Inc. additional funds needed to operate the housing facility. Additionally, these funds will be used to meet the match requirement on other grants that will be used to complete the acquisition of the property.

The housing facility owned by ABODE Inc., with MVCH as the sponsor, is used to provide housing for individuals who are homeless and disabled or elderly in Las Cruces. The housing facility will serve an expected 15 persons at initial occupancy and an unspecified number of future new clients (due to turnover) in the City of Las Cruces. There will be required scheduled reporting to the City with MVCH/ABODE Inc. annually for twenty (20) years.

**SUPPORT INFORMATION:**

1. Resolution
2. Exhibit "A" – CDBG Grant Agreement

**SOURCE OF FUNDING:**

<b>Is this action already budgeted?</b>	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
	<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)	
<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.		
<b>Does this action create any revenue?</b>	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

**FUND SUMMARY:**

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
CDBG MVCH - ABODE	2000-20184300-722190-10405	\$84,000.00	\$84,000.00	\$0.00	N/A

**OPTIONS / ALTERNATIVES:**

1. Vote "Yes"; this will approve the Resolution authorizing the CDBG Grant Amendment between the City of Las Cruces and Mesilla Valley Community of Hope and ABODE Inc. providing funds for the buy-down of the mortgage for the Sexton Street properties.

2. Vote "No"; this will deny the Resolution not authorizing the CDBG Grant Amendment between the City of Las Cruces and Mesilla Valley Community of Hope and ABODE Inc., which will not allow for the partial buy-down of the mortgage for the Sexton Street properties.
3. Vote to "Amend"; this would be based on council direction.
4. Vote to "Table"; this would postpone the Resolution and will require direction from the City Council.

### **REFERENCE INFORMATION**

The resolutions listed below are only for reference and are not included as attachments or exhibits.

1. Resolution 08-267
2. Resolution 10-272

**RESOLUTION NO. 11-086**

**A RESOLUTION APPROVING AN AMENDMENT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND MESILLA VALLEY COMMUNITY OF HOPE AS SPONSOR FOR THE OWNING ENTITY, ABODE INC., ADDING ADDITIONAL FUNDS IN THE AMOUNT OF \$84,000, BRINGING THE TOTAL GRANT TO \$149,478.00 FOR THE BUY-DOWN OF THE MORTGAGE FOR 1843 AND 1845 SEXTON STREET.**

The City Council is informed that:

**WHEREAS**, the City of Las Cruces is an entitlement community as defined by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) program; and

**WHEREAS**, entitlement communities are required to adopt and implement a Consolidated Plan every five years, including an annual Action Plan; and

**WHEREAS**, through the approval of the City's 2006-2010 Consolidated Plan, including Resolution 08-267 which approved the 2008 Action Plan, Mesilla Valley Community of Hope (MVCH) was awarded funding in the amount of \$65,478.00 for the partial buy-down of the mortgage for the property at 1843 and 1845 Sexton Street; and

**WHEREAS**, through the approval of the City's 2006-2010 Consolidated Plan, through Resolution 10-272 approving the 2010 Action Plan, Mesilla Valley Community of Hope (MVCH) was awarded additional funding in the amount of \$84,000.00 for the remaining balance buy-down of the mortgage for the property at 1843 and 1845 Sexton Street; and

**WHEREAS**, the housing facility on Sexton Street owned by ABODE Inc., with MVCH as the sponsor provides housing for individuals who are homeless and disabled or elderly in the City of Las Cruces.

**NOW, THEREFORE**, Be it resolved by the governing body of the City of Las Cruces:

(I)

**THAT** the City Council approves the Amended Agreement, attached as Exhibit "A" and made part of this Resolution, between the City of Las Cruces and Mesilla Valley Community of Hope and ABODE Inc.

(II)

THAT the City Manager, as the official representative of the City, is hereby authorized to sign the Grant Agreement on the City's behalf.

(III)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2010.

APPROVED

\_\_\_\_\_  
Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
City Clerk

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

VOTE:

Mayor Miyagishima: \_\_\_\_\_

Councillor Silva: \_\_\_\_\_

Councillor Connor: \_\_\_\_\_

Councillor Pedroza: \_\_\_\_\_

Councillor Small: \_\_\_\_\_

Councillor Small: \_\_\_\_\_

Councillor Sorg: \_\_\_\_\_

Councillor Thomas: \_\_\_\_\_

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney, Interim

**EXHIBIT "A"**

**AMENDMENT #1 TO THE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND MESILLA VALLEY COMMUNITY OF HOPE (MVCH), AS SPONSOR FOR THE OWNING ENTITY, ABODE INC., FOR THE PARTIAL BUY-DOWN OF THE MORTGAGE FOR 1843 AND 1845 SEXTON STREET, USING FUNDS FROM THE CDBG PROGRAM.**

This **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) Agreement** is an amendment to, but not in lieu of the **original CDBG AGREEMENT and original Attachments**, executed on September 8, 2010, under the Authority of City of Las Cruces Resolution 10-089, in its entirety.

This **AMENDED CDBG AGREEMENT** (hereinafter referred to as the "Agreement") is entered into by and between the **CITY OF LAS CRUCES**, a New Mexico municipal corporation with a principal address of P.O. Box 20000, Las Cruces, New Mexico 88004 (hereinafter referred to as "City") and the Mesilla Valley Community of Hope, as sponsor for Abode Inc., a New Mexico Non-profit Corporation, whose address is 999 W. Amador, Las Cruces, New Mexico 88005 (hereinafter referred to as "Sub-recipient").

**WITNESSETH:**

**WHEREAS**, the purpose of the Agreement is to provide the Sub-recipient with additional CDBG funds for the buy-down of the mortgage for 1843 and 1845 Sexton Street; and

**WHEREAS**, the City is an entitlement community as defined by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) Program; and

**WHEREAS**, through the approval of the City's 2006-2010 Consolidated Plan, and 2010 Action Plan approved under Resolution 10-272, CDBG funding in the amount of \$84,000.00 has been added to the original grant; and

**WHEREAS**, the original grant agreement must therefore be amended; and

**WHEREAS**, the parties desire to enter into this Amended Agreement, as authorized and in accordance with Article IV of the original Agreement, in order to ensure compliance with the requirements of the CDBG Program.

**NOW THEREFORE**, the City and the Sub-recipient hereto do hereby mutually agree as follows:

1. The following additions, corrections, clarifications, deletions, or other amendments, as identified by Section are hereby made:

**Article I. SCOPE OF SERVICE:**

Section B. Activities and Use of Funds: The amount of funds to be disbursed under this Agreement shall be increased from \$65,478.00 by the amount of \$84,000.00 for a total grant of \$149,478.00.

**Article II. TIME OF PERFORMANCE**

Section A. Term of the Agreement: The ending date of this agreement will be changed from September 24, 2010 to June 30, 2011.

**Article III. BUDGET**

EXPENDITURE CLASSIFICATION	DESCRIPTION OF ITEM	APPROVED BUDGET
801-002	ACQUISITION	\$149,478.00
TOTAL		\$149,478.00

**Article V. PAYMENTS**

It is expressly agreed and understood that the total amount to be paid by the grantee under this Agreement shall not exceed \$149,478.00 and is expected to be a one-time payment for eligible expenses as stated in the budget specified in Section III, herein, in accordance with the Scope of Service and any approved modifications thereto.

**Article VII. COMMUNICATIONS****Grantee**

Raymond Burchfield, Neighborhood  
Program Specialist  
Community Development Department  
City of Las Cruces  
P.O. Box 20000  
Las Cruces, NM 88004  
Phone: (575) 528-3094  
E-mail: [rburchfield@las-cruces.org](mailto:rburchfield@las-cruces.org)

**Attachment A – Restrictive Real Estate Covenant****2. Restrictive Covenants:**

A. Use of Property: In exchange for \$149,478.00 to acquire the premises, as described by the Sponsor's application of January 15, 2008 the premises of the Sub-recipient as sponsor for the Owner and Section A-1 of this document is owned by same and shall be maintained under this

Covenant for use of the Sub-recipient and Owner, with the first priority usage as housing for low income persons for a period of twenty (20) years.

**Attachment B – General Items**

**Section K – Reversion of Assets:**

In the event the property is not used in accordance with the national objective, the Sub-Recipient and the Owner shall pay to the Grantee \$149,478.00 or such other amount determined by the Grantee. Any such payment is program income to the Grantee.

- 2. All other Sections, Exhibits, and/or Attachments shall remain as originally agreed to and shall remain in full force and effect.

**IN WITNESS WHEREOF** the parties have executed this Agreement, each upon the date set forth next to his/her name.

**ABODE, INC.**

\_\_\_\_\_  
Pamela Angell, Executive Director

\_\_\_\_\_  
Date

**CITY OF LAS CRUCES**

\_\_\_\_\_  
Terrence R. Moore, City Manager  
City of Las Cruces

\_\_\_\_\_  
Date

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney