

**HERCULES CITY COUNCIL
RESOLUTION NO. 25-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES ADOPTING
THE CITY OF HERCULES LOAN ADMINISTRATION PLAN POLICIES AND
PROCEDURES MANUAL**

WHEREAS, In 2011, the California State Legislature adopted Assembly Bill x1 26, which dissolved redevelopment agencies statewide. At that time, the City of Hercules (“City”) chose not to become the Housing Successor to the former Hercules Redevelopment Agency (“Former Redevelopment Agency”); and

WHEREAS, The Contra Costa County Housing Authority (“County Housing Authority”) became the Housing Successor by operation of law; however, they declined the transfer of housing assets; and

WHEREAS, between 2011 and 2024, no party was actively administering the Former Redevelopment Agency’s seven loan programs. With the lack of program oversight, borrowers did not receive regular monthly loan statements and delinquencies were not pursued by the City nor the County Housing Authority; and

WHEREAS, to remedy this situation, the City elected to become the Housing Successor in February 2024 and subsequently reinitiated loan program administration; and

WHEREAS, the Former Redevelopment Agency originated seven loan programs that were provided to borrowers in need of financial assistance; and

WHEREAS, the loans, now assumed by the City, have specific requirements by the loan program that articulate such terms as loan restructuring, extended terms, subordination of loan to new debt, collateral substitution, and/or loan pay-off; and

WHEREAS, City staff will administer and monitor the approximately 41 collectible outstanding loans issued by the former Redevelopment Agency, which have a collectible loan balance of \$3,724,430 as of June 30, 2024 (“Loans”); and

WHEREAS, administrative guidance is necessary for the successful implementation of this new program; and

WHEREAS, the City has prepared a Loan Administration Plan (“Plan” – Exhibit 1) to assist the City with the administration of the former Redevelopment Agency’s homeowner and business loans during their lifecycle. Additionally, the Plan addresses how the City will handle matters involving delinquencies that occurred between 2011 and 2024 under prior City program administration and how the City will coordinate with impacted third parties; and

WHEREAS, the Plan provides that, in addition to processing hardship requests and other modifications, payoffs, transfers and assignments, the City will also monitor occupancy, prepare a tracking database, send out notification letters outlining the documentation required for the annual monitoring process, mail annual notices, collect all documents, and send out confirmation letters to the homeowners to close the monitoring; and

WHEREAS, adoption of the Plan is not a project under the California Environmental Quality Act ("CEQA") Guidelines section 15378 because it is an organizational or administrative activity that will not result in direct or indirect changes to the environment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules as follows:

1. The foregoing recitals are true and correct and are incorporated herein.
2. The City Council hereby adopts the City of Hercules Loan Administration Plan Policies and Procedures Manual for staff's use in administering the Loans.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the 28th day of January, 2025 by the following vote of the Council:

AYES:
NOES:
ABSTAIN:
ABSENT:

Dion Bailey, Mayor

ATTEST:

Eibleis Melendez, City Clerk

Exhibit 1 – City of Hercules Loan Administration Program Policies and Procedures Manual