

RESOLUTION NO. 24-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERCULES APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH RSG IN THE AMOUNT OF \$113,000 TO DEVELOP AND IMPLEMENT A PLAN TO RESTRUCTURE THE NON-PERFORMING LOANS, INCLUDING BORROWER NEGOTIATIONS AND AMENDING LOAN AGREEMENTS, APPROPRIATING \$113,000 FROM THE HOUSING SUCCESSOR FUND TO FULLY FUND THE AGREEMENT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY COUNCIL

WHEREAS, on February 27, 2024, the City elected to become Housing Successor; and

WHEREAS, as Housing Successor, the City resume the administration of outstanding housing loans issued by the Former Agency; and

WHEREAS, the City is responsible for administering 77 loans issued by the Former Agency; and

WHEREAS, after reviewing the loan documents, it was found that 47 loans are collectible, and 30 loans are uncollectible; and

WHEREAS, on July 9, 2024, the City Council directed staff to write-off the uncollectible loans, leaving a loan portfolio of 47 active loans. 21 loans are performing (no overdue balance), and 26 loans are non-performing (carry an overdue balance); and

WHEREAS, the Agreement with RSG provides a scope of services to develop and implement a plan to restructure the non-performing loans, including borrower negotiations and amending loan agreements; and

WHEREAS, there is sufficient funding in the Housing Successor Fund to cover the cost of this Agreement to develop and implement a plan to restructure the non-performing loans, including borrower negotiations and amending loan agreements.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hercules that the City Council hereby approves a professional services agreement with RSG in the amount of \$113,000, to develop and implement a plan to restructure the non-performing loans, including borrower negotiations and amending loan agreements, appropriates \$113,000 from the Housing Successor Fund to fully fund the Agreement, and authorizes the City Manager to execute the agreement on behalf of the City Council.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the twenty-third day of July 2024 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Romero, Mayor

ATTEST:

Eibleis Melendez, City Clerk