

## City Council – Action Request Form

**Date:** January 10, 2022

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**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

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**From:** Patrice Y. Toney, Assistant City Manager  
Marla Y. Newman, Community Development Director

**Council Action Requested:**  
Resolution Authorizing Modification of Permanent Financing for Emmanuel Retirement Village

**Strategic Focus Area:** Livable Neighborhoods  
**Strategic Objective:** No  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**

In April 2016, the City Council authorized \$2,500,000 in 2014 General Obligation Bonds to Ujima Community Development Corporation (Ujima) to develop Emmanuel Retirement Village, located on Barbara Jane Avenue. The purpose of this item is to make modifications to that approval.

As originally envisioned, Emmanuel Retirement Village was a market-rate rental property for seniors who can live independently, consisting of 50 units – 28 one-bedroom units in a two-story building and 11 duplex structures containing 22 two-bedroom units. There would be a community center for use of the development’s residents and surrounding community. When Ujima approached the City for financing, staff discussed City Council’s desire to expand workforce housing opportunities throughout the City, and Ujima agreed to set aside 10% of the 50 units for households earning 80% of the area median income, consisting of three one-bedroom units and two two-bedroom units. These affordability restrictions on the units would be recorded as a deed restriction to ensure compliance. The original budget was projected to be \$5.4 million, of which \$2.9 million was to come from a bank loan and \$2.5 million from the City

**Committee Action:**

<b>Committee</b>	Finance 1/10/22	<b>Action</b>	Approval
<b>For</b>	Unanimous	<b>Against</b>	

**Remarks:**

In July 2016, the general contractor withdrew from the project, and the new general contractor determined that the project cost would be approximately \$1 million higher than the original estimate. To bring the project cost down to the financing approved by the City and NewBridge Bank, the scope of the project changed:

- The number of units was reduced from 50 to 42 by postponing construction of four duplexes; and
- Construction of the community center was postponed.

The loans closed in July 2017. The City's financing consists of a \$1,000,000 amortizing loan, which is current; a \$1,000,000 deferred loan that is due on sale or transfer of the property; and a \$500,000 deferred loan that will be forgiven after 15 years. Construction was completed in August 2019. All funds were expended.

Ujima has been working to complete the rest of the project. Ujima is proposing to no longer build the community center and to build an additional duplex in its place. Ujima has met with residents, and residents are supportive. The original site plan includes four duplexes, and Ujima can move forward in pulling permits for those units. However, Ujima will need to modify the site plan to change the community center to a duplex. This will first go to the Planning Board for a public hearing and recommendation and then to City Council for final approval.

Replacing the community center with a duplex will also necessitate modification to the City Council approval, loan agreement, and declaration of restrictions. The attached resolution: (a) releases Ujima from the original requirement to build the community center and allows Ujima to replace the same with additional affordable housing—one (1) duplex consisting of two (2) units and (b) authorizes the city manager to execute documents consistent with the resolution, including amendments to any existing documents regarding this matter.