



CONSENT CALENDAR

April 4, 2017

To: Honorable Members of the City Council
From: Mayor Jesse Arreguin
Subject: Authorizing Home Loan Agreement with Dee Williams-Ridley

RECOMMENDATION

Adopt a Resolution authorizing a housing assistance loan to Dee Williams-Ridley of up to \$800,000 for the purchase of a residence within a ten mile radius of the City of Berkeley, for a 20 year term with an annual interest rate equal to 3%, and repayment of the loan with interest required within 24 months of separation from the City, and authorizing the Mayor to execute the resulting loan repayment agreement and promissory note.

FISCAL IMPLICATIONS

The not to exceed loan amount of \$800,000 will be included in the Fiscal Year 2017 budget in the General Fund. Loan repayments will be made with interest at an annual interest rate equal to 3%. The loan account is 010-0000-129-0102, and the interest account is 010-0000-118-9999. Authorized funding will be included in the Second Amendment to the FY 2017 Annual Appropriation Ordinance.

BACKGROUND

On March 15, 2016, through Resolution No. 67,399-N.S., City Council unanimously appointed Dee Williams-Ridley as the City Manager and approved the terms and conditions of the contract entered into between the City and Ms. Williams-Ridley. Recognizing the burden and expense of relocating her family from the Sacramento area, the contract provided for a housing loan to assist in a purchase of a residence within a ten mile radius of the Berkeley city limits.

The employment contract provided that to assist in the purchase of a residence, “the City shall provide loan assistance at an interest rate of 3% for a term of 20 years”. The contract did not specify a total not to exceed for the loan, but instead noted that the “terms of said loan shall be memorialized in separate documents subject to further Council approval.”

In 2009, the City Council approved a loan with comparable terms to former Police Chief Michael Meehan. Taking into consideration that the Meehan family had relocated from Seattle, and given the difference in costs of living between the two areas, Council authorized a housing assistance loan of up to \$500,000 for the purchase of a residence

within the City of Berkeley, with an annual interest rate equal to 3%, and with repayment, with interest, required within 12 months of separation from the City.

Ms. Williams-Ridley is in the process of actively searching for, and submitting offers to purchase, a residence in the Berkeley or immediate surrounding area and wishes to enter into a loan agreement consistent with her employment agreement. Given the substantial difference in housing prices between the Berkeley and Sacramento areas, with the median home price in Berkeley for a single-family home recently exceeding one million dollars, a loan in the sum of \$800,000 would allow Ms. Williams-Ridley to purchase in Berkeley or within 10 miles of the City.

ENVIRONMENTAL SUSTAINABILITY

No impact.

CONTACT PERSON

Mayor Jesse Arreguin (510) 981-7100

Attachments:

Resolution: Authorizing Home Loan Agreement with Dee Williams-Ridley

RESOLUTION NO. ##,###-N.S.

AUTHORIZING HOME LOAN AGREEMENT WITH DEE WILLIAMS-RIDLEY

WHEREAS, the Charter of the City of Berkeley invests the City Council with the sole authority to employ a City Manager; and

WHEREAS, on March 15, 2016, through Resolution No. 67,399-N.S., City Council unanimously appointed Dee Williams-Ridley as the City Manager and approved the terms and conditions of the contract entered into between the City and Ms. Williams-Ridley; and

WHEREAS, Section 5 of said contract specified that the City would assist Ms. Williams-Ridley, who resides in Sacramento, with purchase of housing through a low interest loan if her new residence is located with a 10 mile radius of Berkeley; and

WHEREAS, Section 5(c) of the employment contract provides that to assist in the purchase of a residence, “the City shall provide loan assistance at an interest rate of 3% for a term of 20 years” and that the “terms of said loan shall be memorialized in separate documents subject to further Council approval”; and

WHEREAS, Ms. Williams-Ridley is in the process of actively searching for, and submitting offers to purchase, a residence in the Berkeley or immediate surrounding area and wishes to enter into a loan agreement consistent with her employment agreement.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council hereby authorizes a housing assistance loan to Dee Williams-Ridley of up to \$800,000 for the purchase of a residence within a ten mile radius of the City of Berkeley, for a 20 year term with an annual interest rate equal to 3%, and repayment of the loan with interest required within 24 months of separation from the City, and authorizes the Mayor to execute the resulting loan repayment agreement and promissory note.

