

RESOLUTION NO. 70,872-N.S.

ISSUING A REQUEST FOR PROPOSALS FOR A NEW OWNER FOR MARTIN
LUTHER KING JUNIOR (MLK) HOUSE

WHEREAS, Resources for Community Development (RCD) has operated MLK House since 1991, providing permanent housing for very low-income, formerly homeless individuals; and

WHEREAS, on June 1, 1991, the City entered into a loan agreement with RCD for a \$128,126 loan which was authorized by City Council Resolution No. 55,859-N.S. for acquisition and rehabilitation of the property, and the June 1991 loan was amended in December 1991 to increase the amount by \$150,000 for a total loan of \$278,126 ("1991 Rehab Loan"), to complete the rehabilitation of the property authorized by City Council Resolution No. 56,211-N.S.; and

WHEREAS, on June 1, 2017, the City entered into a new loan agreement replacing the 1991 Rehab Loan with a loan equal to the outstanding principal on the Rehab loan, forgiving the accrued interest on the Rehab Loan and changing the interest rate to 0% and an approximate 30-year term to make the new loan co-terminus with the original regulatory agreement (City Council Resolution No. 67,480-N.S.); and

WHEREAS, on December 14, 2021, by City Council Resolution No. 70,135-N.S., the City Council approved a funding reservation of \$1,178,974, for the renovation of MLK House, and the execution of the loan documents for this new rehabilitation loan is on pause pending the transfer of MLK House to a new owner; and

WHEREAS, because the current residents who reside in MLK House require a higher level of services and oversight that is no longer in line with RCD's operations, RCD intends to transfer the property to a new owner and operator experienced in providing permanent supportive housing; and

WHEREAS, under the City's existing development loan agreement, RCD must obtain approval of the transfer of property; and

WHEREAS, City staff are in support of RCD's transferring the property and recommend issuing a Request for Proposal (RFP) to select a qualified owner/operator and further explore other options, including consideration of supportive housing and group living models that could potentially leverage other funding that supports the services and programming that a high needs population requires, or explore serving a different population more equipped for independent living with shared spaces; and

WHEREAS, RCD agrees with the City facilitating the selection of a new owner/operator and possible alternative housing models for MLK House through an RFP.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is hereby authorized to issue a Request for Proposal (RFP) for selection of a new owner/operate for MLK House; and


BE IT FURTHER RESOLVED that City Manager is hereby authorized to include in the RFP consideration of including a reallocation of \$1,178,974 in 2021 Housing Trust Fund Rehabilitation Funding initially awarded to RCD to the new owner/operator of MLK House as part of the transfer of property to help support rehabilitation of the existing housing.

The foregoing Resolution was adopted by the Berkeley City Council on June 6, 2023 by the following vote:

Ayes: Hahn, Harrison, Humbert, Kesarwani, Robinson, Taplin, Wengraf, and Arreguin.

Noes: None.

Absent: Bartlett.



Jesse Arreguin, Mayor

Attest: 

Mark Numainville, City Clerk