

# Policy Briefing Summary

## City Council



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<b>Regarding:</b>	<b>Ordinance allowing modification of the terms of the 501 Cherry loan agreement</b>
<b>Staff Contact(s):</b>	James Freas, Deputy City Manager
<b>Presenter:</b>	<b>James Freas, Deputy City Manager</b>
<b>Date of Proposed Action:</b>	April 20, 2026

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### Issue

The Piedmont Housing Alliance has requested that the City allow a portion of the funds allocated for the affordable housing project located at 501 Cherry Ave to be used for the acquisition of the property.

### Background / Rule

### Analysis

While the City's typical practice is to reserve City funds to contribute towards direct construction costs or to pay down the level of affordability (ie. cover the cost of shifting a 60% AMI unit to a 50% AMI unit), the City can use its funds to support land acquisition where there is an over-riding public interest or where doing so can reduce the overall cost of the project, allowing for the more efficient use of public funds. In this instance, due to a change in the project's financing, using a portion of the City's funds for acquisition will reduce the overall project cost. There is no proposed change to the funds identified to support buying down the affordability of units in the project.

### Financial Impact

There is no change in the amount of funding support the City is providing to the 501 Cherry Ave project.

### Recommendation

Staff recommends approval.

### Recommended Motion (if Applicable)

Move approval of the ordinance authorizing Piedmont Housing Alliance's use of loan proceeds for land acquisition to support redevelopment of the 501 Cherry Avenue site for the purpose of producing new housing for low and moderate income people.

### Attachments

1. phaordinanceuseofloanforlandacquisition
2. ORD 501 Cherry Loan