



AGENDA MEMORANDUM

City Manager

City Council Regular Meeting Date: July 30, 2025

To: City Council
From: Dana A. Souza, City Manager
Date: July 18, 2025

SUBJECT: Resolution 25-038 a request from Community Housing and Resources (CHR) to forgive the Fiscal Year 2026, debt service payment of \$20,000 for the Casa Mariposa property.

BACKGROUND: The City Council is asked to consider a request from CHR to forgive the FY26 debt payment of \$20,000 for debt incurred for the Casa Mariposa project. The City loaned \$650,000 to CHR in 1999 for the project and the repayment schedule was established. CHR's current total debt to the City for the Casa Mariposa property is \$92,715.

On September 11, 2023, the City Council approved Resolution 23-058 which amended the Agreement between the City and CHR. The amendment was proposed due to the financial impact Hurricane Ian placed on the City, and the City and CHR agreed to reduce funding the City provided to CHR in FY23 (\$414,477) by 20% (reduction of \$82,895). Pursuant to Resolution 23-058, the City's annual contribution to CHR was/is \$331,582 in FY24, \$373,020 in FY 25, and \$414,477 in FY 26. The FY26 amount is the same amount the City provided to CHR in FY23.

In consideration of the necessary funding reductions from the City, CHR asked City Council to forgive the debt service payment of \$20,000/year for 2024 and 2025, for a total of \$40,000; which City Council approved.

CHR's letter requesting debt service forgiveness for FY26 will help ease CHR's financial burden and utilize the funds to support operations and resident services. Forgiving the debt payment for FY26 will have de minimum impact on the City's FY26 budget.

At the July 15, 2025, City Council meeting, the City Council, after discussion, directed staff to prepare a Resolution to approve the forgiveness of CHR's debt payment for FY26.

FUNDING SOURCE: N/A

RECOMMENDED ACTION: Approve Resolution 25-038.

Sanibel is and shall remain a barrier island sanctuary