



AGENDA MEMORANDUM

City Manager

City Council Regular Meeting Date: August 18, 2026

To: City Council
From: Dana A. Souza, City Manager
Date: July 29, 2026

SUBJECT: Resolution 26-025 considering a request from Community Housing and Resources (CHR) to forgive the remaining debt of \$72,713.50 for the Casa Mariposa property.

BACKGROUND: The City Council has been asked to consider a request from Community Housing Resources, Inc. (CHR) to forgive \$72,713.50 in debt associated with the Casa Mariposa project. In 1999, the City loaned CHR \$650,000 for the project and established a repayment schedule.

CHR's letter states that forgiveness of the remaining loan debt would allow CHR to prioritize funding for operational sustainability and resident services. CHR's request letter is included in the agenda packet.

Following Hurricane Ian in 2022, the City requested an amendment to its agreement with CHR to reduce the City's annual contribution by 20%, beginning in FY24, due to the financial impacts of the storm on the City. In response to the proposed funding reduction, CHR began requesting financial relief from the City. On September 11, 2023, the City Council approved Resolution 23-058, amending the agreement and reducing the City's FY23 contribution of \$414,477 to \$331,582 in FY24, a reduction of \$82,895. Pursuant to Resolution 23-058, the City's annual contributions to CHR have been as follows:

Fiscal Year	FY23	FY24	FY25	FY26	FY27 (Proposed)
Amount	\$414,477	\$331,582	\$373,020	\$414,477	\$424,839

In response to CHR's request for debt forgiveness, the City Council forgave the Casa Mariposa debt payments shown in the table below. If the City Council does not approve any debt relief, CHR will be obligated to make its \$20,000 annual debt payment to the City in 2026.

Year	2023	2024	2025	Total
Amount	\$20,000	\$20,000	\$20,000	\$60,000

FUNDING SOURCE: To fund CHR's request, FY27 cash flows will be reduced by the amount, if any, approved by the City Council through Resolution 26-025.

RECOMMENDED ACTION: Consider Resolution 26-025.

Sanibel is and shall remain a barrier island sanctuary