

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING FORMATION OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2022-12 (CITY OF CHULA VISTA – OTAY RANCH VILLAGE 3 PHASE II) THROUGH THE BOND OPPORTUNITIES FOR LAND DEVELOPMENT (BOLD) PROGRAM PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AS AMENDED; APPROVING A JOINT COMMUNITY FACILITIES AGREEMENT AND AUTHORIZING RELATED ACTIONS

WHEREAS, the City of Chula Vista (the “City”) is a municipal corporation and charter city duly organized and existing under and pursuant to the Constitution and the laws of the State of California (the “State”) and has previously authorized the use of the California Municipal Finance Authority’s (CMFA) Bond Opportunities for Land Development Program (the “BOLD Program”) to allow the owners of property to be developed within the City to participate in the BOLD Program subject to the approval of the City Council; and

WHEREAS, the CMFA has established the BOLD Program to allow the financing of certain public facilities and/or certain development impact fees that finance public facilities (together, the “Improvements”) levied by local agencies in the State through the levy of special taxes pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”); and

WHEREAS, HomeFed Village III, LLC (HomeFed), the master developer of the Otay Ranch Village 3 Phase II development project (the “Project”) has requested that the City allow them to utilize the BOLD Program and to allow the CMFA to form California Municipal Finance Authority Community Facilities District No. 2022-12 (City of Chula Vista – Otay Ranch Village 3 Phase II) (the “Village 3 Phase II CFD”) under the Act, to levy special taxes within the Village 3 Phase II CFD, and to issue bonds secured by such special taxes under the Act to finance the Improvements, provided that HomeFed voluntarily agrees to participate and consent to the levy of such special taxes and the issuance of such bonds; and

WHEREAS, the City Council has previously approved Council Policy Number 505-04 “Statement of Goals and Policies Regarding Establishment of Community Facilities Districts,” (the “City’s Goals and Policies”) and with the exception of: (1) the prohibition on financing development impact fees; (2) the prohibition on the escalation of the maximum special tax to pay for public facilities; (3) the payment to the City of compensation equal to one percent (1%) of the total authorized bonded indebtedness; (4) the requirement that an appraisal be coordinated by, done under the direction of, and addressed to the City; and (5) the requirement that all consultants including the appraiser, be selected and retained by the City, the Village 3 Phase II CFD shall be formed in accordance with the City’s Goals and Policies attached hereto as Exhibit 1 and incorporated herein by this reference; and

WHEREAS, the Village 3 Phase II CFD shall be authorized to finance City capital facilities and related costs (the “City Infrastructure”) in satisfaction of certain City development impact fees (the “City Fees”) authorized to be financed under the Act and certain City capital facilities to be constructed by or on behalf of HomeFed (“Acquisition Improvements” and with the City Infrastructure and the City Fees, the “Facilities”); and

WHEREAS, the Acquisition Improvements shall be accepted and moneys shall be disbursed in accordance with an Acquisition Funding Agreement to be entered into among the CMFA, the City and HomeFed (the “Acquisition Agreement”); and

WHEREAS, the City Council has determined the Village 3 Phase II CFD will provide benefit to the community at large as well as a benefit to the properties within the Village 3 Phase II CFD of the types described in the City’s Goals and Policies; and

WHEREAS, the City Council has determined that the public facilities authorized to be financed by the Village 3 Phase II CFD are of the types described in the City’s Goals and Policies; and

WHEREAS, under Section 53316.2 of the Act, the CMFA may form the Village 3 Phase II CFD to finance the Facilities in connection with the Project and issue bonds, the proceeds of which are used by the City for City Infrastructure, provided the CMFA and the City enter into a joint community facilities agreement; and

WHEREAS, the form of a Joint Community Facilities Agreement by and between the CMFA and the City (the “JCFA”) setting forth the administration of the Village 3 Phase II CFD has been presented to and considered for approval by the City and the City Council, and with the aid of staff has reviewed and considered the JCFA, finds that it will be beneficial to residents of the City and that it is suitable for approval, subject to the conditions set forth in this Resolution; and

WHEREAS, following the adoption of this Resolution, all further proceedings with respect to the formation of the Village 3 Phase II CFD and the issuance of special tax bonds and other debt for the Village 3 Phase II CFD shall be undertaken by CMFA with the exception of the Acquisition Agreement which shall be approved by the City Council prior to the issuance of special tax bonds and/or other debt for the Village 3 Phase II CFD.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that:

SECTION 1. Recitals. Each of the above recitals are true and correct and are hereby incorporated into this Resolution as though fully set forth herein.

SECTION 2. Goals and Policies. The formation of the Village 3 Phase II CFD is hereby authorized provided, that the Village 3 Phase II CFD will be formed in accordance with the City's Goals and Policies with the following exceptions: (1) the prohibition on financing development impact fees; (2) the prohibition on the escalation of the maximum special tax to pay for public facilities; (3) the payment to the City of compensation equal to one percent (1%) of the total authorized bonded indebtedness; (4) the requirement that an appraisal be coordinated by, done under the direction of, and addressed to the City; and (5) the requirement that all consultants including the appraiser, be selected and retained by the City.

SECTION 3. Approval of JCFA. The form of JCFA as presented to this City Council and on file with the City Clerk is hereby approved. The City Manager and such other official or officials of the City as may be designated in writing by this City Council (each, an "Authorized Officer" and together, the "Authorized Officers") are each authorized to execute the JCFA for and on behalf of the City with such changes thereto as such Authorized Officer, following consultation with the City Attorney and Best Best & Krieger LLP, deem to be in the best interests of the City.

SECTION 4. Authorizations. The Authorized Officers and other officers, employees and agents of the City, are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. All actions heretofore taken by the Authorized Officers and other officers, employees and agents of the City with respect to the CMFA and the BOLD Program and the matters described herein are hereby approved, confirmed and ratified.

SECTION 5. Effective Date. This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this Resolution to the Secretary of the CMFA.

Presented by

Approved as to form by

Laura C. Black, AICP
Interim Director of Development Services

Glen R. Googins
City Attorney