

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA (1) APPROVING AND AUTHORIZING EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT RELATING TO THE CMFA SPECIAL FINANCE AGENCY AND APPROVING THE ISSUANCE OF REVENUE BONDS BY THE AUTHORITY FOR THE PURPOSE OF FINANCING THE ACQUISITION OF THE RESIDENCES AT ESCAYA PROJECT CONDITIONED UPON EXECUTION OF A PUBLIC BENEFIT AGREEMENT (PBA) BY THE CITY MANAGER; (2) APPROVING THE FORM OF A PUBLIC BENEFIT AGREEMENT; AND (3) AUTHORIZING THE CITY MANAGER TO CONTINUE TO NEGOTIATE SAID PBA WITH CMFA AND TO DETERMINE WHETHER OR NOT TO EXECUTE SAID PBA

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), the City of Chula Vista (the “City”) and the California Municipal Finance Authority (the “CMFA” and together with the City, the “Members”) propose to enter into a Joint Exercise of Powers Agreement Relating to the CMFA Special Finance Agency (the “Agreement”) in order to form the CMFA Special Finance Agency (the “Agency”) for the purpose of promoting economic, cultural and community development and in order to exercise any powers common to the Members or granted by the Act, including by the issuance of bonds, notes or other evidences of indebtedness;

WHEREAS, the City has determined that it is in the public interest and for the public benefit that the City become a Member of the Agency in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing of projects therefor by the Agency; and

WHEREAS, the Agreement has been filed with the City, and the members of the City Council of the City (the “City Council”), with the assistance of its staff, have reviewed said document; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction, acquisition and rehabilitation of capital projects; and

WHEREAS, on October 26, 2021, the City adopted Policy No. 453-03 “Workforce Housing to Serve Moderate Income Households” (the “Policy”) by Resolution No. 2021-199, to guide review of applications for projects to address the “missing middle”; and

WHEREAS, among projects that may be financed by the Authority, the Authority proposes to issue its governmental purpose revenue bonds (the “Bonds”) to finance the acquisition of The Residences at Escaya multifamily housing development located at 1925 Avenida Escaya, Chula Vista, CA 91913 (the “Project” or the “Workforce Housing Project”); and

WHEREAS, the Authority proposes to grant to the City in connection with the financing of the Workforce Housing Project the right to cause the Authority to sell such Project, starting upon the date fifteen (15) years from the issuance of the Bonds pursuant to a Public Benefit Agreement (the “Public Benefit Agreement” or “PBA”); and

WHEREAS, negotiations between the City and CMFA regarding the PBA have been on-going, but are not complete; and

WHEREAS, due to market conditions and that CMFA has certain timelines to meet to issue said Revenue Bonds, this Resolution will allow the City Manager to further negotiate with CMFA and make such additional modifications to the proposed JPA that may be made or required by the City Manager and City Attorney and consistent with Policy No. 453-03. This Resolution will further allow the City Manager to determine whether to accept and execute the PBA (completing negotiations and satisfying the conditions to enter into the Agreement and issue Revenue Bonds) or to reject the PBA and not execute the PBA (ending negotiations and not entering into the Agreement and not issuing Revenue Bonds); and

WHEREAS, the approval of and entry into the Agreement and issuance of Revenue Bonds are conditioned upon the City Manager’s execution of a PBA between the City and CMFA.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. The City hereby requests to become a Member of the Agency. The Agreement is hereby approved and the Mayor or the designee thereof is hereby authorized to execute said document, and the City Clerk or such Clerk’s designee is hereby authorized to attest thereto.

Section 3. The issuance of Bonds shall be subject to the approval of the Agency of all financing documents relating thereto to which the Agency is a party. Pursuant to Section 3(A) of the Agreement and the Public Benefit Agreement, the City shall have no responsibility or liability whatsoever with respect to the Bonds or any other debts, liabilities and obligations issued by the Agency, and such Bonds and any other debts, liabilities and obligations of the Agency do not constitute debts, liabilities or obligations of any Members including the City.

Section 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Agency; or (iv) except as provided in this Resolution, take any further action with respect to the Agency or its membership therein.

Section 5. The executing officers(s), the City Clerk and all other proper officers and officials of the City are hereby authorized to execute such other agreements, documents and

certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 6. That the City Council approves the PBA on file in the City Clerk's Office, in substantial form, subject to further negotiation with CMFA and with such additional modifications which may be made or required by the City Manager and City Attorney and consistent with Policy No. 453-03. The City Manager is further authorized to determine whether to accept and execute the PBA (thereby completing negotiations and satisfying the conditions to enter into the Agreement and issue bonds) or to reject the PBA and not execute the PBA (thereby ending negotiations and not entering into the JPA to issue Revenue Bonds).

Section 7. Sections 2 through 5 of this Resolution which authorize approval of the Agreement and issuance of Revenue Bonds are conditioned upon execution of a PBA between the City and CMFA by the City Manager and absent such execution by the City Manager, approval of the Agreement and issuance of Revenue Bonds are not approved nor authorized.

Section 8. The City Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Agency:

Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: Ronald E. Lee, Esq.

Section 9. This resolution shall take effect immediately upon its passage.

Presented by

Approved as to form by

Tiffany Allen
Director of Development Services

Glen R. Googins
City Attorney