

JOINT COMMUNITY FACILITIES AGREEMENT

CMFA BOLD PROGRAM

Joint Community Facilities Agreement

Relating to:

**California Municipal Finance Authority
CFD No. 2022-12 (City of Chula Vista - Otay Ranch Village 3 Phase II)**

This Joint Community Facilities Agreement (this "Agreement"), dated as of _____, 2022, is entered into by and between the California Municipal Finance Authority, a joint exercise of powers authority duly organized and existing under the Constitution and laws of the state of California (the "CMFA"), and the City of Chula Vista, a charter city duly organized and validly existing under the Constitution and laws of the State of California (the "City," and together with CMFA, the "Parties").

WITNESSETH:

WHEREAS, the CMFA intends to conduct, proceedings under the Mello-Roos Community Facilities Act of 1982 (California Government Code section 53311 et seq.) (the "Act") to form the above-referenced community facilities district (the "CFD") encompassing all or a portion of the Otay Ranch Village 3 Phase II development project (the "Project"). The master developer of the Project is HomeFed Village III, LLC (the "Developer"). The CFD shall be authorized to finance City capital facilities and related costs ("City Infrastructure") in satisfaction of City development impact fees described in Exhibit A hereto ("City Fees") authorized to be financed under the Act as part of its Bond Opportunities for Land Development ("BOLD") program, which City Fees are payable with respect to all development within the Project and certain City capital facilities to be constructed by or on behalf of the Developer as described in Exhibit A hereto ("Acquisition Improvements" and with the City Infrastructure and City Fees the "Facilities");

WHEREAS, under Section 53316.2 of the Act, the CMFA may form the CFD to, among other things, finance the Facilities in connection with new development in the City and issue bonds, the proceeds of which are used by the City for the Facilities, provided the CMFA and the City enter into a joint community facilities agreement such as this Agreement;

WHEREAS, the CMFA intends to utilize the proceeds of sale of special tax bonds (the "Bonds") and special taxes of the CFD (the "Special Taxes") to finance some or all of the Facilities;

WHEREAS, the City is willing to cooperate with the CMFA in accomplishing the financing of the Facilities through the CFD, and to confer upon the CMFA full power to provide such financing in the event that proceeds of Special Taxes and/or Bonds of the CFD become available and are utilized for such purpose;

WHEREAS, this Agreement is made under the authority of Section 53316.2 of the Act; and WHEREAS, in consideration for the mutual undertakings of the Parties stated herein, the Parties agree as follows:

AGREEMENT:

1. Administration of CFD and Issuance of Bonds by the CMFA. The CFD shall be established and administered in accordance with the City's Statement of Goals and Policies Regarding Establishment of Community Facilities Districts attached hereto as Exhibit B 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 of the CFD; (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 CMFA shall administer the CFD, including employing and paying all consultants, annually levying the Special Taxes and paying and administering the Bonds, and complying with all state and federal requirements appertaining to the proceedings establishing the CFD and issuing and using the proceeds of the Bonds, including the requirements of the United States Internal Revenue Code of 1986, as amended (the "Code") with respect to the tax-exempt Bonds that are issued. The City shall execute and deliver such certifications and agreements as may reasonably be required in order for bond counsel to the CMFA to conclude that interest on any tax-exempt Bonds will be excluded from gross income under the Code, if applicable. To the extent such certifications and agreements cannot be executed with respect to certain City Fees, Bonds may be issued on a taxable basis.

2. Agreement to Hold Available Moneys. The CMFA shall hold or cause to be held within a separate fund (the "Project Fund") proceeds of each issue of Bonds issued to finance City Infrastructure, as well as proceeds of Special Taxes levied by the CFD for "pay-as-you-go" funding from Special Taxes collected in excess of the amounts needed for bond debt service and administration expenses (such bond proceeds and excess amounts are referred to as "Available Moneys"). The Project Fund shall be segregated from all other funds and, except for investment purposes, shall not be commingled with any other funds. The Project Fund may include separate accounts as necessary to separately account for the proceeds of tax-exempt and taxable Bonds (the "Tax-Exempt Account" and "Taxable Account," respectively) and to account for the proceeds of such Bonds that are to fund City Fees and Acquisition Improvements. Investment earnings on amounts in each Tax-Exempt Account shall be retained in the Tax-Exempt Account, except to the extent a portion of such earnings are used to pay rebate or yield reduction payments to the U.S. Treasury pursuant to the Code. Amounts on deposit in the Project Fund shall be disbursed in accordance with Section 3 of this Agreement and CMFA agrees to disburse, or cause to be disbursed, moneys on deposit in the Project Fund as provided herein. All City Fees funded through Available Moneys shall be deemed paid in the amount of the Bond proceeds on the date that such Bond proceeds are deposited with the City.

3. Disbursements From Project Fund. Moneys on deposit in the Project Fund shall be disbursed in accordance with the Acquisition Funding Agreement to be entered into among the CMFA, the City and the Developer with respect to the CFD (the "Acquisition Agreement").

4. Use of City Fees for Public Capital Improvements and Acquisition of Improvements. City shall utilize the City Fees for City Infrastructure. City acknowledges that, subject to approval of disbursements as set forth in the Acquisition Agreement, the City Infrastructure may be financed through the CFD. The Acquisition Improvements shall be acquired by the City as set forth in the Acquisition Agreement.

5. Amendments. This Agreement may be amended by a writing signed by the Parties, including any exhibit hereto; provided, that no amendments to Section 3 shall be made without the prior written consent of the Developer.

6. Term of this Agreement. This Agreement shall be in full force and effect from this date to and including its termination by mutual written agreement of the parties hereto prior to the formation of the CFD.

7. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their authorized representatives as of the effective date stated above.

CMFA:
CALIFORNIA MUNICIPAL
FINANCE AUTHORITY

By: _____
Authorized Signatory

CITY:
CITY OF CHULA VISTA

By: _____
Name: Maria V. Kachadoorian
Title: City Manager

APPROVED AS TO FORM:

By: _____
Glen R. Googins
City Attorney

EXHIBIT A

DESCRIPTION OF FACILITIES

A. CITY FEES

1. Salt Creek Sewer Basin Fee
2. Parkland Acquisition and Development Fee (“PAD”)
3. Public Facilities Development Impact Fees (“PFDIF”)
4. Possible Future Fee for Vehicle Miles Traveled (“VMT”)

B. ACQUISITION IMPROVEMENTS

1. **Main Street – (TDIF Facility) – Estimated Cost \$14,000,000**

City TDIF Road: 60A

Limits: From Heritage Road to Wolf Canyon Bridge (6-lane prime arterial)

Includes: Grading, drainage, surface improvements, landscape and irrigation, traffic signals, environmental mitigation, associated soft costs

EXHIBIT B
CITY'S GOALS AND POLICIES
[See Attached]