

SA RESOLUTION NO. _____

RESOLUTION OF THE CHULA VISTA HOUSING AUTHORITY ACTING IN ITS CAPACITY AS THE SUCCESSOR HOUSING AGENCY TO THE CHULA VISTA REDEVELOPMENT AGENCY APPROVING A LOAN TO COMMUNITY HOUSINGWORKS, OR AN AFFILIATED ENTITY, TO ASSIST IN THE CONSTRUCTION OF A 79-UNIT AFFORDABLE HOUSING DEVELOPMENT TO BE LOCATED AT 201 THIRD AVENUE, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE ALL DOCUMENTS RELATED TO THE LOAN IN A FORM APPROVED BY THE CITY ATTORNEY

WHEREAS, California Health and Safety Code (“HSC”) Sections 33334.2, 33334.6, and 34176.1 authorize and direct the Chula Vista Housing Authority (“Housing Authority”), in its capacity as the Successor Housing Entity as defined in California Health and Safety Code Section 34176, to expend Low and Moderate Income Housing Asset Funds for the purposes of increasing, improving, and preserving the community’s supply of low and moderate income housing available at an affordable rent to persons and families of low or moderate income; and

WHEREAS, pursuant to HSC Section 34176(d) the Housing Authority has established a Low and Moderate Income Housing Asset Fund (the “Housing Fund”); and

WHEREAS, the Housing Fund has accumulated a high unencumbered balance (“Excess Surplus”), and must commit approximately \$7.0 million in Excess Surplus funds to eligible projects or activities by the end of the 2024-25 Fiscal Year; and

WHEREAS, on July 16, 2024, the Housing Authority adopted HA Resolution No. 2024-006 (City Council Resolution No. 2024-135) appropriating \$4.0 million for an affordable housing development, to be selected through a competitive Notice of Funding Availability (NOFA); and

WHEREAS, the NOFA was issued in November 2024 with a deadline of December 20, 2024, and three proposals were submitted for consideration; and

WHEREAS a selection committee of City staff determined that a submittal by Community HousingWorks (“CHW”) for a 79-unit affordable project to be located at 201 Third Avenue (the Project) was the most responsive, thorough, and shovel-ready proposal; and

WHEREAS, the Housing and Homeless Advisory Commission provided an advisory recommendation that the Housing Authority approve the loan by a vote of 4-1-1 at its February 24, 2025 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Chula Vista Housing Authority acting in its capacity as the Successor Housing Agency to the Redevelopment Agency, that it does hereby

authorize a loan from its Housing Fund to Community HousingWorks, or an affiliated entity, in an amount not to exceed four million dollars (\$4,000,000) for the construction of the Project, to be secured against the property and repaid from cash surplus in annual installments.

BE IT FURTHER RESOLVED by the Chula Vista Housing Authority acting in its capacity as the Successor Housing Agency to the Redevelopment Agency, that it authorizes the Executive Director to negotiate and execute a loan agreement, regulatory agreement, and all associated loan documents, and to carry out all other actions necessary for the development of the Project, consistent with the Housing Authority's standard documents as reviewed and approved in form by the City Attorney, and at minimum, subject to the following terms and conditions:

1. The loan shall be contingent upon subsequent completion of environmental review of the Project in accordance with California Environmental Quality Act ("CEQA") Section 15004, to the extent necessary.
2. The Housing Authority shall not disburse loan funds until CHW has secured all other necessary financing for the construction of the Project. The funding commitment shall expire three years from the date of this resolution if the Project has not secured all necessary commitments of financing and undertaken the necessary steps to commence construction.
3. The loan will be evidenced by a promissory note in favor of the Housing Authority, secured by a deed of trust recorded against the property.
4. The term of the loan and regulatory agreement shall be fifty-five (55) years.
5. The loan shall accrue simple interest at the rate of three percent (3%) per annum.
6. CHW, or its affiliate, shall operate the Project consistent with a regulatory agreement to be recorded against the Project and running with the land, along with any other covenants imposed by other Project lenders.

Presented by

Approved as to Form by

Stacey Kurz
Director of Housing and Homeless Services

Marco A. Verdugo
City Attorney