



CITY COUNCIL STAFF REPORT



April 21, 2026

ITEM TITLE

Housing Authority Policy: Updates to the Chula Vista Housing Authority Multifamily Mortgage Revenue Bond Policies to Comply with the California Debt Limit Allocation Committee

Report Number: 26-0094

Location: No specific geographic location

Department: Housing and Homeless Services

G.C. § 84308 Regulations Apply: No

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act (CEQA) Guidelines. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Adopt a resolution of the Chula Vista Housing Authority to approve updates to the Chula Vista Housing Authority Multifamily Mortgage Revenue Bond Policies and authorize the Director to make additional minor clerical or administrative changes as needed.

SUMMARY

The Chula Vista Housing Authority (the “Housing Authority”) is authorized to act as the issuer of tax-exempt bonds for affordable housing developments, awarded through the California Debt Limit Allocation Committee (“CDLAC”). CDLAC requires that issuers maintain a set of Multifamily Mortgage Revenue Bond Policies (the “Bond Policies”) establishing the process and requirements for issuance. The Housing Authority last revised its Bond Policies in 2024. CDLAC provided some minor recommendations for further amendments to the Housing Authority’s Bond Policies. This action would formally recommend adoption of CDLAC’s proposed changes, and authorize the City Manager, as Director of the Housing Authority (“Director”), to make additional minor or clerical changes without returning to City Council.

ENVIRONMENTAL REVIEW

The proposed activity has been reviewed for compliance with the California Environmental Quality Act (CEQA) and it has been determined that the activity is not a “Project” as defined under Section 15378 of the

CEQA Guidelines because it will not result in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the CEQA Guidelines, the activity is not subject to CEQA.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

On March 25, 2026, the Housing and Homeless Advisory Committee voted 3-0 to recommend the item for adoption by the Housing Authority.

DISCUSSION

Tax-exempt multifamily housing revenue bonds, also known as private activity bonds, are a common method of financing affordable housing developments. Bonds are awarded by CDLAC through a statewide competitive process. They are nearly always paired with another financing source, low-income housing tax credits, awarded by CDLAC's sister agency, the California Tax Credit Allocation Committee (CTCAC). The bonds are attractive to investors because their interest income is exempt from state and federal taxes. The federal government sets a "bond cap" limiting the amount of bonds that can be issued annually within each state. To control the bond capacity, CDLAC determines which projects are to receive an allocation of bonds and then transfers the authority for that amount to the bond issuer. The Housing Authority essentially acts as a pass-through entity, and neither it nor the City of Chula Vista bears any financial risk or obligation in the event of a default. (Its role is sometimes referred to as a "conduit issuer" for this reason.) The bonds are paid off through rental revenue from the completed projects.

Bonds may be issued either by the Housing Authority or by other qualified entities such as the California Housing Finance Agency ("CalHFA"), the California Municipal Finance Authority ("CMFA"), or other joint powers authorities.

In 2024, the Housing Authority updated its Bond Policies via Housing Authority Resolution No. 2024-004 adopted on May 21, 2024, to make itself the primary issuer for all projects in Chula Vista, except where an exception is warranted due to special circumstances. The Housing Authority submitted its adopted Bond Policies to CDLAC, the agency who provided several minor recommended revisions.

The proposed changes include the following:

- Clarifying the deadlines for fee payments.
- In the event of a rehabilitation/resyndication of an older property, affirming that CDLAC's approval is required for any new regulatory agreements that replace older documents.
- Confirming that CDLAC must be formally notified in the event of a default and must approve of any transfers of ownership.

To streamline future minor updates to the Bond Policies, the resolution will also authorize the Director to make additional minor or clerical changes without returning to the Housing Authority for further action.

A redlined version of the Bond Policies is included as Attachment 1 showing these proposed updates.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the Chula Vista Housing Authority commissioners do not create

a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any Chula Vista Housing Authority commissioner of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

Adoption of this policy update will have no fiscal impact in the current fiscal year. The proposed policy updates are minor and pertain to administrative procedures.

ONGOING FISCAL IMPACT

Adoption of this policy update will have no ongoing fiscal impact. The proposed policy updates are minor and pertain to administrative procedures.

ATTACHMENTS

1. Proposed Redlines to the Chula Vista Housing Authority Multifamily Mortgage Revenue Bond Policies

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