

RESOLUTION NO. SHA 2015 - ____

A RESOLUTION OF THE CITY COUNCIL ACTING SOLELY IN ITS CAPACITY AS THE SUCCESSOR HOUSING AGENCY TO THE SAN MARCOS REDEVELOPMENT AGENCY AUTHORIZING A DEVELOPMENT AND LOAN AGREEMENT, AN INITIAL PROPERTY ACQUISITION LOAN AND THE SALE OF REAL PROPERTY TO RICHMAR STATION SAN MARCOS, LP FOR AN AFFORDABLE HOUSING DEVELOPMENT IN THE RICHMAR NEIGHBORHOOD OF THE CITY OF SAN MARCOS

WHEREAS, on January 10, 2012 the City Council adopted Resolution No. 2012-7607 appointing itself as the Successor Housing Agency to the former San Marcos Redevelopment Agency (the "Successor Housing Agency") (SHA); and

WHEREAS, the City of San Marcos (the "City") and the SHA both have a state mandate to construct affordable housing; and

WHEREAS, the City as SHA in Resolution No. SHA 2014-008 entered into an Exclusive Negotiating Agreement and Predevelopment Loan of \$392,500 with Richmar Station San Marcos, LP (the "Developer") on September 9, 2014 for the purposes of facilitating the proposed development of a mixed-use affordable housing development (the "Project") in the City's Richmar neighborhood; and

WHEREAS, the City of San Marcos did evaluate and determine that this action (DLA, transfer of real property and associated loans) considered herein is Categorical Exempt pursuant to California Environmental Quality Act (CEQA) Section 15061(b) (3) under the general rule in that the action being taken herein can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; and

WHEREAS, the City as SHA in Resolution No. SHA 2014-012 previously approved a Supplemental Housing Support Agreement with the Developer for this Project on December 9, 2014; and

WHEREAS, the Project will assist in meeting state housing mandates and is consistent with the City's adopted Region 2020 Smart Growth Strategy; and,

WHEREAS, the Project will assist in meeting the City Council's goal of neighborhood revitalization in the Richmar neighborhood by expanding the stock of decent, safe and affordable housing; and

WHEREAS, the SHA desires to provide financial assistance to the Developer using funds from the SHA in order to relocate the current tenant and subsequently demolish the existing buildings and prepare to redevelop real property located in the Richmar neighborhood

encompassing two parcels owned by the SHA encompassing APN 220-084-06 and APN 220-084-07 (the “Property”) within the City; and

WHEREAS, the Property is currently owned by the SHA and identified as such on the Housing Asset List submitted to the Department of Finance on August 1, 2012; and

WHEREAS, the SHA and Developer desire to negotiate a Development and Loan Agreement (DLA) by which the agency would provide financial assistance to the Developer for the acquisition, tenant relocation and demolition of the buildings on the Property for affordable housing purposes in the future Project; and

WHEREAS, a component of financial assistance to the Developer will be a monetary loan of up to \$921,100 from the SHA; and

WHEREAS, a component of financial assistance to the Developer will be the transfer of the Property, currently owned by the SHA, from that agency to the Developer in accordance with the DLA; and

WHEREAS, the City Council as the SHA is required to authorize the sale of the Property consisting of APN 220-084-06 and APN 220-084-07 as per Section 33433 of the Health and Safety Code; and,

WHEREAS, the decision of the SHA in this instance is not subject to subsequent approval by the Oversight Board nor the Department of Finance; and

WHEREAS, the decision of the SHA is based on the following findings and determinations.

NOW, THEREFORE BE IT RESOLVED by the Successor Housing Agency of the City of San Marcos:

1. The foregoing recitals are true and correct, and are incorporated herein by reference.

2. The use of the SHA’s affordable housing financial resources to fund to this affordable housing property acquisition, relocation of existing tenant, subsequent demolition of the buildings and related predevelopment costs is considered to be allowable and appropriate.

3. The Property consisting of APN 220-084-06 and APN 220-084-07 is currently owned by the SHA and has been recognized as a housing asset.

4. The SHA hereby approves a total property acquisition funding package in order to enable the Developer to acquire parcels APN 220-084-06 and APN 220-084-07 in an amount not to exceed a total of \$2,227,870; specifically, the land loan component reflecting \$1,306,770 for the value of the property to be transferred from the SHA to the Developer in accordance with the terms of the DLA; and the associated relocation and demolition tranche of \$921,100 to pay

for relocation of the current commercial tenant, demolition of the buildings and related predevelopment costs.

5. Approves the attached Section 33433 Report and the transfer and sale of the Property to the Developer subject to the terms of the DLA and any and all approvals necessitated by AB 1x26 and/or AB 1484 and the expiration of all applicable review periods.

6. Authorizes the City Manager to finalize and conclude all required regulatory agreements and financing arrangements consistent with the parameters set forth herein.

7. Authorizes the City budget to be amended, as required.

8. This authorization is not subject to subsequent approval by the Oversight Board nor the Department of Finance.

PASSED, APPROVED AND ADOPTED by the City Council of the City of San Marcos acting solely in its capacity as the designated Successor Housing Agency to the former San Marcos Redevelopment Agency this 11th day of August, 2015, by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

James M. Desmond, Mayor
City of San Marcos

ATTEST:

Phillip Scollick, City Clerk
City of San Marcos