

RESOLUTION NO. 2024-

A RESOLUTION OF THE CITY OF SAN MARCOS, APPROVING AN AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND LOAN AGREEMENTS WITH TERRA COTTA HOUSING ASSOCIATES, LP BY AND AMONG THE CITY OF SAN MARCOS IN ITS CAPACITY AS THE SUCCESSOR HOUSING AGENCY TO THE FORMER SAN MARCOS REDEVELOPMENT AGENCY

WHEREAS, on April 23, 1996, the City Council authorized the Redevelopment Agency of the City of San Marcos to support BRIDGE Housing Corporation to construct an affordable housing project.

WHEREAS, on April 8, 1997, the City Council authorized the Redevelopment Agency of the City of San Marcos to finance a portion of the Terra Cotta Multi-Family Rental Housing Project.

WHEREAS, Terra Cotta Apartments were placed in service by BRIDGE Housing Corporation as Terra Cotta Housing Associates LP in 2000 with a 55-year deed restriction.

WHEREAS, the City of San Marcos provided two loans totaling \$6,300,585.97 to support the development of the Terra Cotta Apartments. The current interest on said loans total \$3,811,733 as of October 31, 2024.

WHEREAS, the property is 24-years old and requires maintenance and repairs including but not limited to, unit HVAC replacements, common area repairs, unit boiler replacements, and other capital expenditures that have reached the end of effective useful life, as evidenced by a capital needs assessment conducted in 2021.

WHEREAS, Terra Cotta Housing Associates LP requires approval to refinance the permanent loan with Fannie Mae to cover for most of those predicted costs and seeks City Council approval to amend the loan agreement and associated authorizing documents to fund maintenance and replacement costs.

WHEREAS, Terra Cotta Housing Associates LP requests the City of San Marcos to agree to subordinate the existing City debt to the new proposed Fannie Mae loan, as the subordination to the new loan is a Fannie Mae requirement.

WHEREAS, Terra Cotta Housing Associates LP would extend the affordability agreement of 55 years by an additional 27 years, thus providing affordable units until 2079.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of San Marcos does hereby authorize approval to amend the Terra Cotta Housing Associates LP loan agreement and associated authorizing documents, as attached to the November 12, 2024 City Council agenda packet relating to this matter, to fund maintenance and replacement costs. The City Council authorizes the City Manager to finalize and to sign such documents in her capacity as the Executive Director of the Successor Housing Agency to the Former San Marcos Redevelopment Agency.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS at a regular meeting held on the 12th day of November, 2024, by the following roll call vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Rebecca D. Jones, Mayor

City of San Marcos