

RESOLUTION NO. SHA 2023 - XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, CALIFORNIA, ACTING IN ITS CAPACITY AS THE SUCCESSOR HOUSING AGENCY, AUTHORIZING MODIFIED PROJECT GAP LOAN FINANCING WITH NATIONAL CORE AND THE PREPARATION OF AN UPDATED LOAN AGREEMENT FOR PHASE 2 OF THE VILLA SERENA II AFFORDABLE HOUSING PROJECT IN THE RICHMAR NEIGHBORHOOD

WHEREAS, the City Council of the City of San Marcos ("City") serves as the legislative body of the Successor Housing Agency to the former San Marcos Redevelopment Agency ("SHA") for purposes of handling the assets and obligations of the former San Marcos Redevelopment Agency ("RDA") following its dissolution; and

WHEREAS, as the legislative body of the SHA, the City Council takes action on post-redevelopment matters, and is responsible for decisions governing land previously owned by the RDA; and

WHEREAS, the SHA and the City both have a state mandate for the construction of affordable housing; and

WHEREAS, National CORE ("Developer"), has approached the SHA about the redevelopment of its aging Villa Serena affordable housing project within the Richmar neighborhood ("Project"); and

WHEREAS, this 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 RDA previously authorized a project loan to the Developer for the acquisition and rehabilitation of the original Villa Serena affordable housing project in 1997; and later approved the rollover from that loan with SHA Resolution 2019-037; and

WHEREAS, Phase 1 of the Villa Serena project was granted gap financing in February 2020 pursuant to SHA Resolution 2020-039, and an additional project award in March 2021 by way of SHA Resolution 2021-8867; and

WHEREAS, the SHA previously agreed to provide gap financing in the restated and approved Development and Loan Agreement, and the SHA authorized additional financial assistance to Phase 2 of the Villa Serena II project by approving an adjusted project loan totaling \$5,300,000 and the updated Replacement Housing Plan in March 2022 by way of SHA Resolution 2022-8995; and

WHEREAS, the SHA desires to provide additional gap loan financing in the form of a 55-year loan agreement with 3% per annum interest for an additional \$1,944,343 in gap funding for National CORE to apply to the Villa Serena 2 Phase II project making their total loan \$7,244,393; and

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

1. The foregoing recitals are true and correct and are hereby incorporated by reference as though set forth in full at this point.
2. Modified financing in the form of a project loan for Phase 2 for \$7,244,393 is hereby approved for Villa Serena II Phase 2 for the developer, National CORE.
3. The new total amount of Successor Agency funds committed to the project is \$10,547,657 as a loan financed in the form of a 55-year loan agreement with 3% per annum interest .
4. The Acting City Manager is authorized to negotiate and prepare a draft of all required regulatory agreements as well as financing and associated documentation consistent with the parameters set forth herein, which will be brought to the City Council for final approval.
5. The Acting City Manager is further authorized to negotiate and prepare the draft Development and Loan Agreement to return to City Council for final approval.
6. The authorization granted herein is not subject to subsequent approval by the Oversight Board of the Successor Housing Agency or the California Department of Finance.

PASSED, APPROVED AND ADOPTED by the City Council in its capacity as the legislative body of the Successor Housing Agency this 25th day of July, 2023, by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Rebecca D. Jones, Mayor
City of San Marcos

ATTEST:

Phillip Scollick, City Clerk