

RESOLUTION NO. 2019-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AND ALL NECESSARY DOCUMENTS RELATED TO THE PARTICIPATION OF THE HUD PUBLIC OFFERING AS PART OF THE SECTION 108 LOAN GUARANTEE ASSISTANCE PROGRAM TO REFINANCE THE EXISTING NOTE B-08-MC-06-0547 OR OTHER OBLIGATION IN THE ORIGINAL PRINCIPAL AMOUNT OF \$5,886,000, FOR THE 2008 CASTLEPARK INFRASTRUCTURE PROJECT (4/5 VOTE REQUIRED)

WHEREAS, the City of Chula Vista adopted Resolution 2006-359 on December 12, 2006, accepting \$9,500,000 plus interest thereon of United States Department of Housing and Urban Development (“HUD”) loan funds under Section 108 of the Housing and Community Development Act of 1974, as amended, for the Castle Park Capital Improvement Projects STU03, STL304, STU05, and STL306 (the “Project”) and executed that Section 108 note number B-08-MC-06-0547 for the Project under a Section 108 Contract for Loan Guarantee Assistance dated May 27, 2008; and

WHEREAS, HUD has notified the City of Chula Vista that a public offering will occur in February 2019 to enable those borrowers that participated in certain prior public offerings to refinance their existing loans at more favorable interest rates and to participate, the City of Chula Vista must immediately notify HUD of its intention to refinance all or a portion of its existing Section 108 commitment through the public offering; and

WHEREAS, HUD may require, as a condition of participation in the public offering, that the City of Chula Vista execute documents related to the transaction, and whereas the City has previously agreed to pay its share, as determined by HUD, of the customary and usual issuance, underwriting, and other costs related to the public offering and future administration of the Note and the trust certificates; and,

WHEREAS, it is economically sound and in the best interest of the City of Chula Vista to accept more favorable fixed rates of interest under the Section 108 Loan Guarantee program offered by HUD under the public offering.

NOW THEREFORE BE IT RESOLVED BY the City Council of the City of Chula Vista, the City Manager, or his duly authorized agent, shall notify HUD of the City’s desires to participate in the February 2019 public offering by HUD through the loan guarantee assistance program under Section 108 of the Housing and Community Development Act of 1974, as amended, for the existing obligation B-08-MC-06-0547 in the original principal amount of \$9,500,000 and to refinance the existing principal amount of \$5,886,000 at such rates of interest that will be determined by HUD at the time of the public offering.

BE IT FURTHER RESOLVED HEREBY, the City Manager is authorized to execute the necessary documents as required by HUD to refinance the existing guaranteed Section 108 Note, and to execute such other documents, contracts, amendments and agreements with HUD, and to authorize payment of any required fees, as may be necessary to effectuate this refinancing transaction.

Presented by:

Approved as to form by:

Kelly Broughton, FASLA
Development Services Director

Glen R. Googins
City Attorney