

HA RESOLUTION NO. _____

RESOLUTION OF THE CHULA VISTA HOUSING AUTHORITY, IN ITS CAPACITY AS THE SUCCESSOR HOUSING ENTITY WITHIN THE MEANING OF HEALTH AND SAFETY CODE SECTION 34176; APPROVING THE ASSUMPTION OF EXISTING HOUSING AUTHORITY LOAN TOTALING APPROXIMATELY \$1,275,778 IN ACCRUED INTEREST WITH AMENDED LOAN TERMS, AND AUTHORIZING THE DIRECTOR TO EXECUTE ALL RELATED LOAN DOCUMENTS BY AND BETWEEN THE CHULA VISTA HOUSING AUTHORITY AND ST. REGIS PARK CIC, LP FOR ST. REGIS PARK MULTI-FAMILY AFFORDABLE RENTAL APARTMENTS

WHEREAS, St. Regis Park, L.P., a California Limited Partnership, (the "Property Owner") and the Chula Vista Housing Authority ("Housing Authority") as the Successor Housing Entity (collectively, the "Lender") are all current parties to that certain Loan Agreement and Related and Restricted Covenants dated as of May 23, 2000, and Affordable Housing Agreement recorded against a 119 unit multifamily rental development with twenty-four (24) units affordable to very low income households at 50 percent of the Area Median Income (AMI), eighty-four (84) units affordable to low income households at 60 percent of the Area Median Income (AMI), ten (10) units at 120% of the Area Median Income, and one (1) unrestricted for a resident manager, located at 1025 Broadway in the City of Chula Vista, known as St. Regis Park Apartments, ("St. Regis") in the Office of the Recorder of the County of San Diego on June 22, 2000, as Document 2000-0331275 ("Affordable Housing Agreement");

WHEREAS, Property Owner received an acquisition and rehabilitation loan in the amount of one million three hundred eighty-seven one hundred fifty-two thousand dollars (\$1,387,152) from Housing Authority's Low and Moderate Income Housing Fund (the "Housing Fund") with an annual interest term at six percent (simple interest) to be paid from 90 percent of residual receipts.

WHEREAS, the Property Owner executed a Loan Agreement and Related Covenants, and other associated loan documents (Deed of Trust, Promissory Note, Affordable Housing Agreement), to assist with the financing gap for the acquisition and rehabilitation of St. Regis Park (previously known as Pear Tree) multi-family apartments; and

WHEREAS, Property Owner will sell the Property to a new Limited Partner, St. Regis Park CIC, L.P. (Developer) that proposes the acquisition and rehabilitation of St. Regis Park, L.P., (the "Project") utilizing up to \$25,000,000 of tax-exempt Multifamily Housing Revenue Bonds (Bonds) issued by the Housing Authority and companion non-competitive four percent tax credits; and

WHEREAS, St. Regis Park CIC, L.P. is requesting assistance with the financing gap for the acquisition and rehabilitation of the Project, assuming the accrued interest on the existing loan, with payment of the principal balance of the existing loan, amend the interest rate to three percent (3%) and a revise residual receipt calculation; and

WHEREAS, the Lender's evaluation of the development budget, operating pro forma, and source and uses for the Project determined that the assumption by the Developer of the existing development loans of Lender is appropriate and necessary in order to make the Project feasible; and

WHEREAS, Project will continue to make available housing affordable for very low and low income persons of the neighborhood and the City for an additional fifty-five (55) years; and

WHEREAS, Lender wishing to assist with the financing gap for the acquisition and rehabilitation of the Project and proposes to enter into new loan documents and regulatory agreement with Developer to be recorded as encumbrances to the Project for the balance of Lender's outstanding development loans from its Low and Moderate Income Housing funds, pursuant to which the Developer would agree to acquire and operate the Project in accordance with the requirements of the Lender's amended covenants and loan documents. The amended loan documents and covenants will restrict occupancy of 119 of the apartment units in the Project to very-low (24 units) and low-income households (94 units) at an affordable housing cost, plus one (1) unrestricted apartment unit for resident manager at St. Regis Apartments; and

WHEREAS, in accordance with the requirements of CEQA, the Development Services Director has determined that the proposed project qualifies for a Class 1 Categorical Exemption pursuant to Section 15301 Existing Facilities of the California Environmental Quality Act State Guidelines because it involves the rehabilitation of existing facilities which would not result in an expansion of the existing uses; and,

NOW, THEREFORE, BE IT RESOLVED by the Housing Authority as Successor Housing Agency of the City of Chula Vista, that it does hereby approve execution and recordation of all loan documents and regulatory agreements for the assumption of the outstanding loan balance that includes accrued interest to date, from the Housing Authority's Low and Moderate Income Housing Set-Aside fund to Developer for the acquisition and rehabilitation of a total of 119 residential units for St. Regis Park Apartments.

BE IT FURTHER RESOLVED by the Chula Vista Housing Authority as Successor Housing Entity, that it directs staff to prepare all necessary documents and any actions, for the assumption of the outstanding development loan and authorizing the Director, or his designee to execute all associated loan documents, and regulatory agreement, consistent with the City's standard documents as reviewed by the City Attorney's office, necessary for the financing of the proposed acquisition and rehabilitation of Project and, at minimum, subject to the following terms and conditions:

1. Developer shall secure all other financing necessary for the acquisition and development of the Project.

2. The loan repayment will be secured by a Deed of Trust and Amended and Restated Promissory Note for the property in favor of the Housing Authority as Successor Agency and City of Chula Vista and recorded against the property.
3. The term of the Lender loans shall be fifty-five (55) years.
4. The outstanding balances shall accrue interest at a minimum of 3 percent per annum.
5. Payment on the Lender loans shall be made from ninety percent (90%) of the residual receipts of the Project.
6. Developer will be required to operate the Project consistent with the Regulatory Agreement required by the Project's bond and tax credit financing, the Lender's financing, the covenants imposed by these Agreements, and any other project requirements.
7. This approval remains subject to additional approval by Housing Authority and City Council, in which Housing Authority and City Council retains its sole and unfettered discretion to approve, deny, or to take alternative actions, of, but not limited to, the final approval of multi-family mortgage revenue bond financing for the Project.

Presented by

Approved as to form by

Kelly G. Broughton, FASLA
Director of Development Services/
Assistant Director

Glen R. Googins
City Attorney/Legal Counsel