

RESOLUTION 2019- _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ACTING AS HOUSING SUCCESSOR, APPROVING A DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT, ADDENDUM TO COMMITMENT LETTER AND RELATED DOCUMENTS BY AND BETWEEN THE CITY OF LAKE ELSINORE AND MISSION COTTAGES LP

Whereas, in accordance with California Health & Safety Code Section 34172, the Redevelopment Agency of the City of Lake Elsinore ("Former Agency") was dissolved as of February 1, 2012; and

Whereas, the City is the successor to the "housing assets" (as defined in California Health & Safety Section 34176) and obligations of the Former Agency ("Housing Successor"), and as such holds funds in the Low and Moderate Income Housing Asset Fund (the "LMIHAF Fund") pursuant to California Health & Safety Code Section 34176(d); and

Whereas, the City holds certain funds ("Fund 106 Funds") which the City owns in its own right and not as the Housing Successor; and

Whereas, Civic Partners-Elsinore, LLC ("Civic") is a party to that certain Amended and Restated Disposition and Development Agreement ("DDA") dated as of March 8, 2011, by and among the Redevelopment Agency of the City of Lake Elsinore ("RDA"), McMillin Summerly LLC, and Civic; and

Whereas, pursuant to the DDA, certain funds equal to 20% of the property tax revenues generated from Developer and Master Developer properties ("Pledged Housing Funds") are pledged to Civic for affordable housing purposes which funds are administered by the City as the Housing Successor; and

Whereas, on June 13, 2017, the City Council approved a Loan Commitment Letter for the Cottages at Mission Trail Project (Original Commitment Letter) to provide financial assistance from Pledged Housing Funds, LMIHAF and Fund 106 to a proposed 143-unit work force housing rental project with related amenities and facilities located at the intersection of Mission Trail & Sedco Boulevard and commonly known as the Cottages at Mission Trail ("Project"); and

Whereas, since the approval of the Original Commitment Letter, Civic has formed Mission Cottages LP as the Project Developer, obtained City approval of all necessary land use entitlements, obtained approval by the California Department of Fish and Wildlife of a Section 1602 Lake Alteration Agreement, secured commitments for Low Income Housing Tax Credits and Multi-Family Housing Revenue Bond proceeds, and satisfied the conditions to enter into a binding loan agreement as outlined in the Original Commitment Letter;

Whereas, since the approval of the Original Commitment Letter, the City has acquired the Project site with funds committed to the Project and desires to convey the Project Site to the Project Developer for development of the Project in furtherance of its affordable housing goals and requirements; and

Whereas, the City has been allocated 1,196 very low income units, 801 low income units and 897 moderate income units as part of its regional housing allocation for the current Housing Element period (2014 - 2021); and,

Whereas, the existing developments for low income households in the City are not likely to meet the projected need for low income housing in the Lake Elsinore community; and,

Whereas, use of the Project Site as affordable housing serves the common benefit by assisting the City in meeting the State mandate to provide very low income, low income and moderate income housing; and,

Whereas, the City staff and the Project Developer have negotiated a Disposition, Development and Loan Agreement ("DDLA") and related Project documents and City staff has prepared an Addendum to the Original Commitment Letter to reflect the final Project financing plan; and

Whereas, the City Council has duly considered all terms and conditions of the proposed DDLA, related Project documents and Addendum to the Commitment Letter and believes the disposition of the Project Site pursuant thereto is in the best interests of the City, and the health, safety and welfare of its residents, and is for the common benefit in accord with Government Code Section 37350.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The City Council hereby approves the DDLA and all exhibits thereto substantially in the form on file with the City Clerk. The City Manager is hereby authorized and directed to execute the DDLA and all exhibits thereto on behalf of the City, and the City Clerk is authorized and directed to attest thereto. The City Manager is hereby authorized to modify the DDLA and exhibits thereto, subject to City Attorney review and approval, provided such modifications do not materially alter the business terms set forth in the DDLA. Copies of the DDLA and exhibits thereto when executed shall be placed on file in the office of the City Clerk.

Section 2. The City Manager is hereby authorized to execute on behalf of the City such further documents, including the Addendum to Commitment Letter, Assignment of TIF Revenues, and Subordination Agreement (Construction/Permanent Lender) and take such further actions as may be necessary or appropriate to carry out the City's obligations pursuant to the DDLA and Addendum to the Commitment Letter. The City Manager is hereby authorized to modify the DDLA and exhibits thereto, subject to City Attorney review and approval, provided such modifications do not materially alter the business terms set forth therein and in the DDLA.

Section 3. The City Council appropriates funds in the amounts and from the City accounts as described in the DDLA to fund the City Loan as defined in the DDLA.

Section 4. The City Clerk shall certify to the adoption of this Resolution.

Section 5. This Resolution shall take immediate effect upon adoption.

Steve Manos, Mayor

ATTEST:

Mark Mahan, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LAKE ELSINORE)

I, Mark Mahan, Deputy City Clerk of the City of Lake Elsinore, California, do hereby certify that Resolution No. 2019-_____ was adopted by the City Council of the City of Lake Elsinore, California, at the regular meeting of March 26, 2019 and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mark Mahan, Deputy City Clerk